

10 Housing



10
Housing



10.1 Introduction

Purpose of the Housing Element

The Housing Element of the General Plan is designed to provide the city with a coordinated and comprehensive strategy for promoting the production of safe, decent, and affordable housing within the community. A priority of both state and local governments, Government Code Section 65580 states the intent of creating housing elements:

The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian family is a priority of the highest order.

Per state law, the Housing Element has two main purposes:

1. To provide an assessment of both current and future housing needs and constraints in meeting these needs; and
2. To provide a strategy that establishes housing goals, policies, and programs.

This Housing Element is an eight-year plan for the 2013-2021 period (April 30, 2013 – April 29, 2021), which differs from the city’s other General Plan elements that cover a much longer period. The Housing Element serves as an integrated part of the General Plan, but is updated more frequently to ensure its relevancy and accuracy. The Housing Element identifies strategies and programs that focus on:

1. Conserving and improving existing affordable housing;
2. Maximizing housing opportunities throughout the community;
3. Assisting in the provision of affordable housing;
4. Removing governmental and other constraints to housing investment; and
5. Promoting fair and equal housing opportunities.

Element Organization

The Housing Element has the following major components:

- An introduction to review the requirements of the Housing Element, public participation process, and data sources (Section 10.1);
- A profile and analysis of the city’s demographics, housing characteristics, and existing and future housing needs (Section 10.2);
- A review of resources available to facilitate and encourage the production and maintenance of housing, including land available for new

construction, financial and administrative resources available for housing, and opportunities for energy conservation (Section 10.3);

- An analysis of constraints on housing production and maintenance, including market, governmental, and environmental limitations to meeting the city's identified needs (Section 10.4);
- An evaluation of accomplishments under the 2005-2010 Housing Element (Section 10.5); and
- A statement of the Housing Plan to address the city's identified housing needs, including an assessment of past accomplishments, and a formulation of housing goals, policies, and programs (Section 10.6).

A series of appendices provide additional documentation. Appendix A supports the assessment of the 2005-2010 Housing Element synthesized in Section 10.5. Appendix B describes the sites inventory introduced in Section 10.3.

Relationship to State Law

The California Legislature has identified the attainment of a decent home and suitable living environment for every resident as the state's major housing goal. Recognizing the important role of local planning programs in pursuing this goal, the legislature has mandated that all cities and counties prepare a housing element as part of their comprehensive general plan. Government Code Section 65302(c) sets forth the specific components to be contained in a community's housing element.

Planning Period

State law now requires housing elements to be updated every eight years to reflect a community's changing housing needs, unless otherwise extended by state legislation. The previous (2005-2010) housing element cycle for the San Diego region was extended by state legislation (SB 575) to align local housing elements with regional transportation planning. Therefore, the 2005-2010 Carlsbad Housing Element covered the period spanning July 1, 2005 through April 29, 2013. This Housing Element covers the planning period of April 30, 2013 through April 29, 2021.

While this Housing Element covers an eight-year planning period, Government Code Section 65588(e) requires Carlsbad to update this Housing Element after four years (April 30, 2017) and again at the end of the eight-year planning period.

Changes in State Law since Previous Update

In addition to the above-described provisions in SB 575, the following items represent substantive changes to state law since the city's last Housing Element or which have been newly addressed in this 2013-2020 Housing Element.

SB 375 requires alignment of regional transportation planning and local land use and housing plans. This fifth housing element cycle is being conducted in conjunction with the development of the 2050 Regional Transportation Plan and its Sustainable Communities Strategy in accordance with SB 375.

AB 1233 requires local governments to zone or rezone adequate sites, within the first year of the new planning period, to address any portion of the Regional Housing Needs Assessment (RHNA) for which the jurisdiction failed to identify or make available sites in the prior planning period. During the prior planning period, the city redesignated sufficient sites at appropriate densities to accommodate all of its RHNA. Section 10.5 and Appendix A describe how the city met its obligation.

AB 2511: The city shall not permit residential development at a density below the density assumed for that site in the housing element, unless: a) the city demonstrates that the remaining sites identified in the housing element can accommodate the city's remaining RHNA, or b) the city identifies an additional site(s) that can accommodate the remaining RHNA. This provision is addressed in Sections 10.4 and 10.6 (Program 2.1).

SB 812 requires that housing elements include an analysis of the special housing needs of disabled persons, including persons with developmental disabilities. This is addressed in the Special Needs Households section of Section 10.2 and in Program 3.11 of Section 10.6.

Regional Housing Needs Assessment (RHNA)

A critical measure of compliance with state housing element law is the ability of a jurisdiction to accommodate its share of the region's housing needs --the RHNA. For San Diego County, the state projected the region's growth for an 11-year period between Jan. 1, 2010 and Dec. 31, 2020, which coordinates with the Regional Transportation Plan. Therefore, while the Housing Element is an eight-year document, the city must accommodate the full 11 year RHNA. Table 10-1 presents Carlsbad's allocation of the region's housing needs by income group as determined by SANDAG.

TABLE 10-1: 2010-2020 RHNA

INCOME GROUP	CARLSBAD		REGION	
	#	%	#	%
Very Low (<50% AMI)	912	18%	36,450	23%
Low (50-80% AMI)	693	14%	27,700	17%
Moderate (80-120% AMI)	1,062	21%	30,610	19%
Above Moderate (>120% AMI)	2,332	47%	67,220	41%
TOTAL	4,999	100%	161,980	100%

Sources: SANDAG, RHNA PLAN : Fifth Housing Element Cycle Planning for Housing in the San Diego Region 2010 – 2020, Table 4.

Pursuant to state law (AB 2634), the city must project the number of extremely low income housing needs, which is not a specified income group in the RHNA. This target may be based on Census income distribution or the city may assume 50 percent of the very low income units as extremely low income. Approximately 2,440 extremely low income and 3,275 very low income Carlsbad households were identified in the Comprehensive Housing Affordability Strategy (CHAS) data prepared by the Census Bureau for the U.S. Department of Housing and Urban Development. These household totals equate to 43 and 57 percent, respectively, of the total extremely low and very low income households. These percentages suggest that of Carlsbad's RHNA share of 912 very low income households, at least 389 units should be available for extremely low income and 523 units for very low income households. See Section 10.2 for a more detailed analysis.

Relationship to Community Vision

The Housing Element is most closely related to the following core values in the Carlsbad Community Vision:

Core Value 1: Small Town Feel, Beach Community Character, and Connect- edness. Enhance Carlsbad's defining attributes-it's small town feel, and beach community character.

Core Value 9: Neighborhood Revitalization, Community Design and Livability. Revitalize neighborhoods and enhance citywide livability. Promote a greater mix of uses citywide, more activities along the coastline, and link density to public transportation.

Relationship to Other General Plan Elements

To promote a uniform and compatible vision for the development of the community, California law requires the General Plan be internally consistent in its goals and policies. The Housing Element is a component of the General Plan (updated in parallel with this Housing Element); as a result, the Housing Element is consistent with the vision of the General Plan and is supported by goals and policies of the other General Plan elements. General Plan elements and policies that affect housing are summarized below:

The Land Use and Community Design Element directs the location, amount, and type of residential development in the city. It presents the desirable pattern for the ultimate development of the city, and reflects the community's evolution and changing demographics over the General Plan horizon. The element ensures the availability of sufficient residential land at appropriate densities to meet the city's housing needs identified in this Housing Element.

The Mobility Element contains policies to minimize traffic volumes and speeds in residential neighborhoods, while improving connectivity to schools, parks,

services, and other destinations, with an emphasis on pedestrian, bicycle and transit mobility.

The Open Space, Conservation and Recreation Element establishes goals and policies to: protect sensitive resources from development impacts; maintain and improve appropriate access to open space; and ensure park and recreation opportunities are sufficient to meet the needs of future residents.

The Noise and Public Safety Elements contain policies to protect residents from unacceptable noise levels and safety concerns by guiding future development away from significant noise sources and potential hazards and by enforcing mitigations when necessary.

Public Participation

The Housing Element was prepared as part of Envision Carlsbad, which was the city's program to update its General Plan (including the Housing Element). The first phase of Envision Carlsbad included an extensive community participation campaign that laid the foundation for the update. Approximately 8,000 community members directly participated in activities such as workshops, a community survey, and other public meetings. A product of this broad-based outreach effort was the Carlsbad Community Vision, which articulated what the community values most for Carlsbad's future, including the following related to housing:

In the future, Carlsbad will be a multi-generational community, with supportive services that accommodate the needs of the elderly as well as families with young children. Carlsbad will uphold universal design standards that foster accessibility, and will be a leader in innovative financing and design approaches to enhance availability of high-quality housing for all income levels. The housing supply will match the diverse population and workforce needs, essential to a sustainable economic future.

As part of the stakeholder outreach specific to housing, from January through May 2009, the city conducted several small group meetings with for-profit and not-for-profit housing providers, as well as organizations working with homeless individuals and people with disabilities. The city also held a developer forum (June 2011) to understand potential constraints to the production of housing (market rate and affordable), and a housing stakeholder forum (March 2012) specifically focused on affordable and multi-family housing and the Housing Element. The city encouraged participation by representatives of organizations serving low-income and special needs groups.

Following is a complete summary of the public participation activities conducted in preparation for this Housing Element update.

Visioning Workshops

Four community workshops were held in March and April 2009 on different weekday evenings and in different locations around the city. Although workshops focused on an array of issues related to the community's aspirations for the future, housing was a key focus at each workshop. The events were designed to engage the attention, interest, and active involvement of a broad spectrum of Carlsbad community members, and provide opportunities for energetic group discussion of and effective input into the community's vision of Carlsbad's future. In all, over 265 community members attended the workshops.

In regard to housing, participants at the workshops discussed the need for and the design of affordable housing so that it fits in with the context of the rest of the city. Some residents expressed desire for controlled and managed population growth and development. Some participants did not want the city to over build while others wanted no more development at all. Some envisioned higher density development downtown, or a hierarchy of densities, while others emphasized the need for lower density development.

Finally, many participants emphasized the need to promote walkability through location of activities, design of neighborhoods, and pedestrian-friendly development.

Community Vision Survey

In 2009, the city initiated a survey to assess residents' perceptions regarding the quality of life in their neighborhood and the city. Surveys were mailed to every household in the city (a total of over 41,600 households) and nearly 7,200 completed responses were received—an impressive response rate of over 17 percent. Findings that contribute to understanding of housing preferences include:

- Just over half of all residents (51%) believe that providing a range of housing options of different types and price levels within Carlsbad is a medium or high priority for the city.
- In addition, over half of all residents (53%) believe that providing food and shelter for homeless families both in the city and the region is a medium or high priority.
- Nearly two-thirds of all residents (64%) believe that developing more housing choices to give seniors additional options for living in Carlsbad as they get older is a medium or high priority for the city.

Barrio Workshop

On March 10, 2011, the city conducted a workshop to discuss issues specific to the Barrio community in Carlsbad. Approximately 85 community members participated in the workshop to discuss a range of topics, such as the culture

and historic character of the neighborhood, streetscape and connectivity improvements, and potential land use opportunities. Participants debated the merits of increasing densities and allowing more multi-family housing in the neighborhood. While some participants did not want to see increased density or multi-family development, most were either supportive or at least willing to identify preferable locations for such housing. Many supported locating new multi-family housing along the periphery of the neighborhood, while protecting the small-scale single and two-family character of the Barrio core.

General Plan Developer Forum

On June 8, 2011, the city hosted a forum with developers active in Carlsbad to understand development/business community issues and perspectives relating to future development in Carlsbad; discuss major land use and development opportunities; and identify key factors necessary to achieve the Carlsbad Community Vision objectives. Approximately 18 participants attended. They discussed the kind of uses and development that is appropriate in the various opportunity areas; and the financial feasibility of development at densities/intensities for future development.

Housing Element Stakeholder Workshop

On March 28, 2012, the city held a workshop to invite representatives of organizations that assist special needs groups and low-income residents, and who develop and manage affordable housing, including shelters, senior, and family housing. The city invited the following representatives and groups:

- Farmers and landowners with active farming;
- Advocates and organizations representing farmworkers, homelessness, the poor, mental and physical health, and the elderly;
- Local developers of market rate housing (those based or active in Carlsbad);
- Affordable housing developers; and
- Representatives from government agencies (e.g. military, SANDAG, adjacent jurisdictions, school districts, infrastructure providers)

Eleven participants ultimately took part in the workshop providing their feedback on future housing needs and constraints to housing production. Key issues and ideas that emerged from the workshop and which the Housing Element will address were as follows:

- Current market and development trends favor multi-family residential rentals
- Affordable housing should be transit accessible so that residents can access jobs and services

- Potential development barriers include lack of available land and high cost of land (especially for infill development). Still, Carlsbad was praised for having a clearly laid-out development review process
- Participants suggested allowing more flexibility in zoning, such as allowing parking unbundling and reductions in parking requirements in appropriate locations
- Participants recommended that for homeless families, there needs to be a focus on more permanent solutions, such as affordable rental housing, rather than shelters

General Plan Land Use Plan Alternatives and Preferred Plan Development

Following visioning workshops and the survey described above, a range of meetings with decision-makers, the Envision Carlsbad Citizens Committee (EC3), and the community at-large helped to debate and shape the land use plan and location of appropriate housing sites for the Housing Element.

- On May 11, 2011 and Aug. 10, 2011, the EC3 helped to brainstorm and then refine various land use concepts for where housing should be located along with commercial developments and other uses.
- In parallel, on July 13, 2011 and Aug. 17, 2011, the Planning Commission held its own set of meetings to consider land use and housing options. These meetings included time for public comment.
- Two community workshops were subsequently held on Jan. 31, 2012 and Feb. 2, 2012, and an online survey was administered during a two-month period to educate community members on plan options and seek their feedback about the appropriateness of housing sites and densities, in an effort to select a preferred alternative.
- Based on feedback from these meetings and the online survey about alternative choices, a preferred alternative emerged which was further discussed and endorsed during EC3 meetings on March 28, 2012 and April 17, 2012. This “Preferred Plan” was discussed and refined by the Planning Commission over a series of four meetings (May 2, 2012, May 16, 2012, June 20, 2012, and July 18, 2012) and ultimately recommended to the City Council.
- The City Council endorsed and provided further direction on this Preferred Plan during their Sept. 11, 2012 meeting, setting the stage for preparation of the General Plan and establishing the Housing Element’s sites inventory described herein.

Decision-Maker Housing Element Workshops/Hearings

On March 20, 2012, the City Council conducted a workshop on housing issues. At this workshop, the council received an issue paper on emerging land use and demographic trends affecting housing in Carlsbad, housing element law and the RHNA, and recent legislative changes and case law regarding affordable housing. The City Council discussed the local policy implications of these issues in the context of the updates to the General Plan and this Housing Element.

On September 19, 2013, the Housing Commission conducted a public hearing on draft Housing Element and recommended approval of the plan to the Planning Commission and City Council.

10.2 Housing Needs Assessment

The City of Carlsbad is committed to the goal of providing adequate housing for its present and future residents. To implement this goal, the city must target its limited resources toward those households with the greatest need. This chapter discusses the characteristics of the city's present and future population in order to better define the nature and extent of housing needs in Carlsbad.

Population Characteristics

Population Growth

Since its incorporation in 1952, Carlsbad has grown steadily and substantially over the decades from a population of 9,253 in 1960 to 105,328 in 2010. The number of Carlsbad residents is expected to reach approximately 117,700 in 2020 (Table 10-2), an increase of 12 percent over the 2010 population.

Between 2000 and 2010, Carlsbad's proportional change in population was over three times that for the region as a whole. San Marcos is the only neighboring jurisdiction to have a greater proportional increase than Carlsbad during this period. According to SANDAG, Carlsbad's projected growth in population from 2010 to 2020 will be modest, similar to neighboring jurisdictions and the region as a whole.

TABLE 10-2: POPULATION GROWTH

JURISDICTION	POPULATION			PERCENT CHANGE	
	2000	2010	2020 (PROJECTED)	2000-2010	2010-2020 (PROJECTED)
Carlsbad	78,247	105,328	117,700	35%	12%
Encinitas	58,014	59,518	68,600	3%	15%
Escondido	133,559	143,911	154,300	8%	7%
Oceanside	161,029	167,086	195,500	4%	17%
Poway	48,044	47,811	54,100	0%	13%
San Marcos	54,977	83,781	90,800	52%	8%
Vista	89,857	93,834	100,000	4%	7%
Unincorporated County	442,919	486,604	545,300	10%	12%
REGION TOTAL	2,813,833	3,095,313	3,535,000	10%	14%

Sources: U.S. Census, 2000 and 2010; and SANDAG Regional Growth Forecast (projections).

Age Trends

Housing needs are determined in part by the age of residents; each age group often has a distinct lifestyle, family characteristics, and income level, resulting in different housing needs. A significant presence of children under 18 years of age can be an indicator of the need for larger housing units since this characteristic is often tied to families and larger households. The presence of a large number of seniors may indicate a need for smaller homes that are more affordable and require less maintenance to allow residents to age in place.

As summarized in Table 10-3, the median age for Carlsbad residents was 40.4 in 2010—one of the highest of northern San Diego County cities and nearly six years higher than the median age for county residents as a whole. In 2010, Carlsbad residents under 18 years of age represented 24 percent of the city's population, while seniors (over 65) represented 14 percent—similar to the city's percent share in 2000.

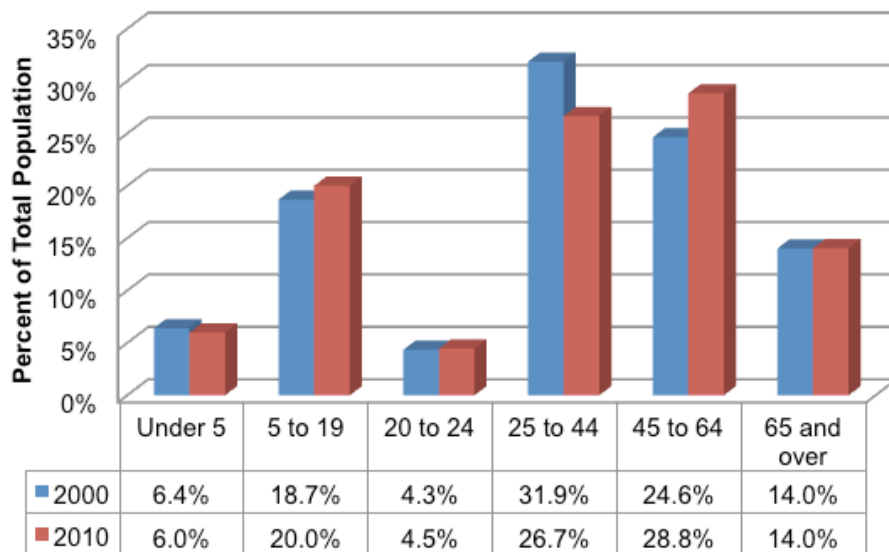
Reflective of the city's relatively high median age, the proportion of residents aged 45 to 64 increased between 2000 and 2010, while the proportion of residents 25 to 44 years of age declined (Chart 10-1). This latter group tends to consist of young families with children.

TABLE 10-3: AGE CHARACTERISTICS AND PERCENT SHARE OF TOTAL POPULATION

	UNDER 18 YEARS				OVER 65 YEARS				MEDIAN AGE 2010
	2000		2010		2000		2010		
JURISDICTION	#	%	#	%	#	%	#	%	
Carlsbad	18,240	23%	25,384	24%	10,980	14%	14,798	14%	40.4
Encinitas	13,401	23%	12,261	21%	6,055	10%	7,643	13%	41.5
Escondido	39,667	30%	39,719	28%	14,720	11%	15,084	11%	32.5
Oceanside	44,444	28%	39,766	24%	21,859	14%	21,501	13%	35.2
Poway	14,750	31%	11,953	25%	4,138	9%	5,900	12%	41.3
San Marcos	15,998	29%	23,291	28%	6,525	12%	8,527	10%	32.9
Vista	26,688	30%	25,054	27%	9,006	10%	8,673	9%	31.1
San Diego Co.	723,155	26%	724,303	23%	313,750	11%	351,425	11%	34.6

Sources: U.S. Census, 2000 and 2010.

CHART 10-1: AGE DISTRIBUTION 2000-2010



Race and Ethnicity

Carlsbad did not experience substantial race/ethnicity changes between 2000 and 2010. In 2010, 75 percent of Carlsbad residents were White, 13 percent Hispanic/Latino, and 7 percent Asian. Black/African American and other races/ethnicities comprised just 1 and 3 percent of the population, respectively (Table 10-4).

TABLE 10-4: RACE/ETHNICITY 2000 AND 2010

RACE/ETHNICITY	2000		2010	
	#	%	#	%
White	63,013	81%	78,879	75%
Hispanic/Latino	9,170	12%	13,988	13%
Asian/Pacific Islander	3,403	4%	7,518	7%
Black/African American	691	<1%	1,232	1%
Other	1,769	2%	3,440	3%

Total percentage may not sum to 100% due to rounding.

Sources: U.S. Census, 2000 and 2010.

Employment Characteristics

Employment has an important impact on housing needs. Incomes associated with different jobs and the number of workers in a household determines the type and size of housing a household can afford. In some cases, the types of the jobs themselves can affect housing needs and demand (such as in communities with military installations, college campuses, and large amounts of seasonal agriculture). Employment growth typically leads to strong housing demand, while the reverse is true when employment contracts.

Occupation and Wage Scale

As of 2010, the two largest occupational categories for city residents were Managerial/Professional and Sales/Office occupations (Table 10-5). These categories accounted for more than 79 percent of occupations held by Carlsbad residents and approximately 66 percent of jobs held countywide by all San Diego County employed residents.

Management occupations are the highest paid occupations in the San Diego region, while food preparation, service-related, and cleanup and maintenance are the lowest paid (Table 10-6). The high proportion of Managerial/Professional occupations accounts for Carlsbad's relatively high median household income.

TABLE 10-5: EMPLOYMENT PROFILE FOR CARLSBAD EMPLOYED RESIDENTS

OCCUPATIONS OF EMPLOYED RESIDENTS	CARLSBAD		SAN DIEGO COUNTY	
	#	%	#	%
Managerial/Professional	24,884	52%	535,856	40%
Sales/Office	12,895	27%	344,204	26%
Service	5,697	12%	248,772	18%
Production/Transportation/Material Moving	2,219	5%	108,154	8%
Construction/Extraction/Maintenance	2,409	5%	111,091	8%
Total ¹	48,104	100%	1,348,077	100%

¹ Civilian population 16 years and over. Total percentage may not sum to 100% due to rounding.

Source: American Community Survey 2006-2010 Five-Year Estimates.

TABLE 10–6: AVERAGE ANNUAL SALARY BY OCCUPATION

OCCUPATIONS	AVERAGE SALARY
Management	\$113,870
Legal	\$107,196
Healthcare Practitioners and Technical	\$86,425
Architecture and Engineering	\$81,433
Computer and Mathematical	\$79,899
Life, Physical and Social Science	\$72,840
Business and Financial Operations	\$70,103
Education, Training and Library	\$60,482
Arts, Design, Entertainment, Sports and Media	\$55,851
Construction and Extraction	\$50,274
Community and Social Service	\$48,969
MEDIAN¹	\$48,448
Protective Service	\$47,927
Installation, Maintenance and Repair	\$45,364
Sales	\$37,650
Office and Administrative Support	\$36,264
Production	\$33,600
Transportation and Material Moving	\$31,976
Healthcare Support	\$30,481
Farming, Fishing and Forestry	\$27,777
Building Grounds Cleanup and Maintenance	\$26,359
Personal Care and Service	\$26,030
Food Preparation and Serving Related	\$22,211

¹ Median of salaries reported by EDD.

Sources: State Employment Development Department (EDD), 2010.

Employment Trends

SANDAG has projected that Carlsbad's employment base will grow by over 8,300 jobs between 2008 and 2020. Table 10-7 provides SANDAG's employment projections for Carlsbad and the San Diego region (county-level). These data show that Carlsbad's share of regional employment growth would be 5 percent; in 2008, Carlsbad had an estimated 62,000 jobs, or over 4 percent of the county total.

TABLE 10–7: EMPLOYMENT PROJECTIONS

JURISDICTION	2008	2020	CHANGE (2008-2020)	
			#	%
San Diego Region	1,411,800	1,515,300	103,500	7%
City of Carlsbad	62,000	70,300	8,300	13%

Source: SANDAG 2050 Regional Growth Forecast.

Household Characteristics and Special Needs Groups

Household Type

The U.S. Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together. Information on household characteristics is important to understanding the growth and changing needs of a community. A family-oriented community may need large housing units, while a community with many single or elderly households may need smaller units with fewer bedrooms.

As shown in Table 10-8, roughly 29 percent of the city's households in 2010 were married families without children, 25 percent were married families with children, 13 percent were other families, and 32 percent were non-family households. Among the non-family households, almost half were single-households and almost one-third were elderly living alone. In fact, senior households saw the highest growth rate among households: growing by 46 percent between 2000 and 2010. The city had a relatively low average household size of 2.53 in 2010, increased slightly from 2.46 in 2000. Countywide, the average household size was slightly larger, at 2.75 in 2010.

TABLE 10-8: HOUSEHOLD CHARACTERISTICS

HOUSEHOLD TYPE	2000		2010		% CHANGE (2000-2010)
	#	%	#	%	
Households	31,410	100%	41,345	100%	32%
Family Households	21,067	67%	27,968	68%	33%
Married With Children	7,596	24%	10,538	25%	39%
Married No Children	9,374	30%	12,119	29%	29%
Other Families	4,097	13%	5,311	13%	30%
Non-Family Households	10,343	33%	13,377	32%	29%
Singles	5,134	16%	6,090	15%	19%
Singles 65+	2,596	8%	3,800	9%	46%
Other	2,613	8%	3,487	8%	33%
AVERAGE HOUSEHOLD SIZE	2.46		2.53		3%

Sources: U.S. Census, 2000 and 2010.

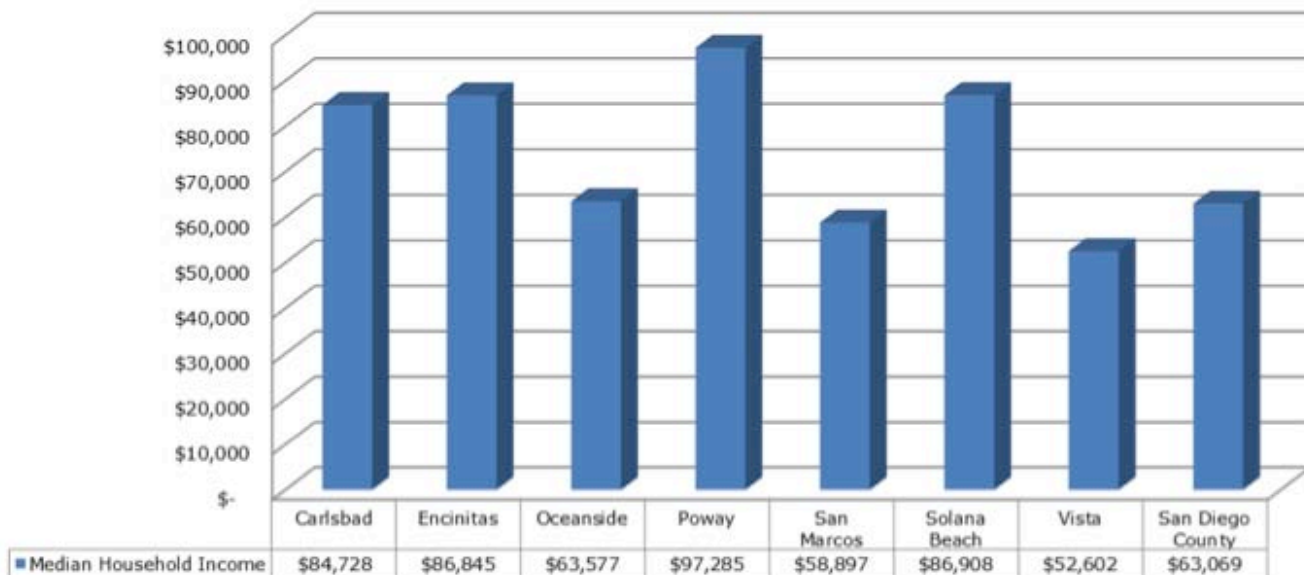
Household Income

Income is the most important factor affecting housing opportunities, determining the ability of households to balance housing costs with other basic necessities. The 2006-2010 American Community Survey (ACS) Five-Year Estimates reported that the median household income in Carlsbad was \$84,728. Compared to neighboring jurisdictions, this median income was lower than that for Solana Beach, Encinitas and Poway and higher than that for Oceanside, San Marcos, Vista, and San Diego County as a whole (Chart 10-2).

For purposes of the Housing Element and other state housing programs, the California Department of Housing and Community Development (HCD) has established five income categories based on Area Median Income (AMI) of a Metropolitan Statistical Area (MSA). The AMI, which is different than the estimated median household incomes shown in Chart 10-2, is applicable to all jurisdictions in San Diego County and changes with the cost of living. The AMI for San Diego County is \$75,900 (2012), and the five income categories based on the AMI are:

- Extremely Low Income (0-30 percent AMI)
- Very Low Income (31-50 percent AMI)
- Low Income (51-80 percent AMI)
- Moderate Income (81-120 percent AMI)
- Above Moderate Income (>120% percent AMI)

CHART 10-2: MEDIAN HOUSEHOLD INCOME 2006-2010



Source: ACS 2006-2010 Five-Year Estimates.

According to the Comprehensive Housing Affordability Strategy (CHAS) data prepared by the Census Bureau for the U.S. Department of Housing and Urban Development (HUD), in 2008, 6 percent of Carlsbad households earned extremely low incomes, 8 percent of households earned very low incomes, and 13 percent earned low incomes (Table 10-9). Lower income households were fairly evenly split between owner- and renter-households, with slightly more renters. However, the majority of above moderate income households were owner-households.

The Housing Element must project housing needs for extremely low income households as a portion of the very low income household RHNA target. For Carlsbad, approximately 2,440 (43 percent) extremely low income households and 3,275 (57 percent) very low income households were identified in the CHAS. This suggests that of Carlsbad's RHNA share of 912 very low income households, at least 389 units (43 percent) should be available for extremely low income and up to 523 units (57 percent) for very low income households. Source: Comprehensive Housing Affordability Strategy (CHAS), HUD, January 2008.

TABLE 10-9: HOUSEHOLDS BY TENURE AND HOUSEHOLD TYPE 2008

	OWNER	RENTER	TOTAL	% OF TOTAL
Extremely Low Income	955	1,485	2,440	6%
Very Low Income	1,375	1,900	3,275	8%
Low Income	2,785	2,125	4,910	13%
Moderate Income	1,585	1,580	3,165	8%
Above Moderate Income	19,520	5,340	24,860	64%
TOTAL	26,220	12,430	38,650	100%

Sources: Comprehensive Housing Affordability Strategy (CHAS), HUD, January 2008.

Special Needs Households

Certain groups have greater difficulty finding decent, affordable housing due to special circumstances. Special circumstances may be related to one's income, family characteristics, and disability status among others. In Carlsbad, persons and families with special needs include seniors, persons with disabilities, large households, single-parent families, homeless, farmworkers, students, and military personnel. Table 10-10 summarizes the presence of special needs groups in the city and the following discussion summarizes their housing needs.

Senior Households

Senior households have special housing needs due to three concerns – income, health care costs, and disabilities. According to the Census and the CHAS study, 14,798 seniors (aged 65 and up) resided in the city in 2010 and 5,270 households were headed by seniors. Among the senior-headed households, 87 percent were owners and 13 percent were renters. The 2006-2010 ACS reported that seniors 65

TABLE 10-10: SPECIAL NEEDS GROUPS IN CARLSBAD

SPECIAL NEEDS GROUPS	NUMBER	% OF TOTAL POPULATION
Seniors	14,798	14%
Disabled Persons	6,507	6%
Large Households	2,375	6%
Single Parent Households	5,311	13%
Homeless Persons	110	<1%
Agriculture, Forestry, Fishing and Hunting and Mining Workers ¹	236	<1%
Students ²	6,536	25%
Military ¹	1,146	2%

¹ Percent of employed workforce 16 years and older in 2010

² Percent of population three years and older enrolled in college or graduate school from 2006-2010.

Sources: U.S. Census, 2010; Regional Task Force on the Homeless, 2012; 2006-2010 American Community Survey 5-year Estimates.

and over earned a median income of \$53,525 (nearly two-thirds of the citywide median income). In addition, approximately 20 percent of the senior population also experiences one or more disabilities, which affects housing needs and potential costs.

Carlsbad is a popular retirement community, which includes facilities that provide assisted living, nursing and special care, and general services to seniors. As of November 2012, Carlsbad had 2,251 beds within 30 licensed senior residential care facilities, according to the California Department of Social Services, Community Care Licensing Division. Almost 95 percent of these beds were provided in 11 complexes having more than six beds, including three continuing care retirement communities (CCRC).

The largest of these communities is La Costa Glen (1,328 beds), which opened in 2003 and completed construction of its final phase in 2008. ActivCare at Bressi Ranch, an 80-bed facility specializing in Alzheimer's and dementia care, opened in late 2011. A planned fourth CCRC – Dos Colinas – was approved by the City Council in January 2012. When constructed, Dos Colinas will provide living and support services to more than 300 seniors.

In 1999, the city purchased Tyler Court, a 75-unit apartment complex that provides affordable housing for very low and extremely low-income seniors. In 2011, the city provided funding for the Tavarua Senior Apartments, a 50-unit project that provides housing to low and very low-income seniors. Construction was completed in spring 2013.

Persons with Disabilities

Disabled persons have special housing needs because of their often fixed and limited income, lack of accessible and affordable housing, and the medical costs associated with their disabilities. The Census defines a “disability” as “a long-lasting physical, mental, or emotional condition. This condition can make it

difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.”

According to the 2008-2010 ACS, 6,507 persons with one or more disability resided in Carlsbad in 2010, representing more than 6 percent of the city’s residents over five years of age. Of the population with disabilities, 2,873 (44%) were seniors. Individuals with cognitive, ambulatory, or independent living difficulties represented the most common disabilities, as reported in Table 10-11.

For those of working age, disabilities can also restrict the type of work performed and income earned. In fact, according to the 2008-2010 ACS, 55 percent of individuals over 16 with a reported disability were not in the labor force; 37 percent were employed; and 8 percent were unemployed (i.e., looking for work).

Persons with Developmental Disabilities

Chapter 507, Statutes of 2010 (SB 812) amended state housing element law to require the analysis of the disabled to include an evaluation of the special housing needs of persons with developmental disabilities. A developmental disability is defined as a disability that originates before an individual becomes 18 years old, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability. This definition includes mental retardation, cerebral palsy, epilepsy, and autism.

The California Department of Developmental Services contracts with nonprofit regional centers to provide or coordinate services and support for individuals with developmental disabilities. In the San Diego region, the San Diego Regional Center provides a variety of services to persons with developmental disabilities and advocates for opportunities to maximize potential and to experience full inclusion in all areas of community life.

As of October 2012, the San Diego Regional Center served approximately 18,400 clients with developmental disabilities who live in San Diego. This includes

TABLE 10-11: INDIVIDUALS WITH DISABILITIES IN CARLSBAD

	YOUTH (AGE 5 - 17)	ADULTS (AGE 18 - 64)	SENIORS (AGE 65+)	TOTAL
Individuals Reporting One or More Disabilities	269	3,365	2,873	6,507
With hearing difficulty	142	620	1,404	2,166
With vision difficulty	52	402	609	1,063
With cognitive difficulty	144	1,390	943	2,477
With ambulatory difficulty	142	1,220	1,512	2,874
With self-care difficulty	142	573	473	1,188
With independent living difficulty	N/A	1,286	1,388	2,674

Columns do not sum to total individuals row because individuals may report more than one disability.

Sources: ACS, 2008-2010.

147 clients who live in Carlsbad; just over half of these individuals are children under the age of 18 who live with their parents. The remaining 69 clients are adults over the age of 18; just over half (55 percent) of these individuals live with their parents, while 24 live in their own apartments with “come-in support” and assistance and seven live in licensed group homes. Additional persons with developmental disabilities may reside in Carlsbad, but are not seeking assistance from the San Diego Regional Center.

While some developmentally disabled individuals can live and work independently within a conventional housing environment, more severely disabled individuals will require a group living environment with supervision. In general, the San Diego Regional Center (and its clients) prefer to house persons with developmental disabilities with family members. When that is not feasible, come-in support and licensed group apartments housing four to six persons (with individual bedrooms, but shared bathrooms and kitchen facilities) are preferred. This type of housing may be designed to look like a big house and is compatible with and appropriate for existing residential neighborhoods with good access to transit and services.

In 2008, the city provided Community Development Block Grant funds to TERI, Inc. for property acquisition for a residential care home for developmentally disabled adults. TERI operates two such homes in Carlsbad.

Incorporating ‘barrier-free’ design in all new multifamily housing (as required by California and Federal Fair Housing laws) is especially important to provide the widest range of choices for disabled residents. In 2011, the city adopted a reasonable accommodation ordinance to provide flexibility in development standards for housing for persons with disabilities.

The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

Large Households

Large households are defined as households with five or more persons in the unit. Lower income large households are a special needs group because of their need for larger units, which are often in limited supply and therefore command higher rents. In order to save for the necessities of food, clothing, and medical care, it is common for lower income large households to reside in smaller units, frequently resulting in overcrowding.

According to the 2006-2008 CHAS, 620 households were considered large households with lower income levels. This represents less than 2 percent of the city’s total households—a small, but important special needs group to assist. Of these large households, 23 percent were owners and 77 percent were renters.

According to the 2006-2010 ACS, the city's housing stock included 25,549 units with three or more bedrooms. Among these large units, 21,750 were owner-occupied and 3,799 were renter-occupied, suggesting that rental units may be competitive to attain.

Single-Parent Households

Carlsbad was home to 3,207 single-parent households with children under age 18 in 2010. Of these, 2,335 (73 percent) were female-headed families with children. Single-parent households, in particular female-headed families, often require special assistance such as accessible day care, health care, and other supportive services because they often have lower incomes. In fact, according to the 2010 ACS Five-Year Estimates, 24 percent of all single-parent female-headed households with children lived in poverty during the previous year. This suggests a need for affordable units with adequate bedroom counts and potentially some on-site or nearby day care and other services.

Homeless

HUD defines a person as homeless if he/she is not imprisoned and:

1. Lacks a fixed, regular, and adequate nighttime residence;
2. The primary nighttime residence is a publicly or privately operated shelter designed for temporary living arrangements;
3. The primary residence is an institution that provides a temporary residence for individuals that should otherwise be institutionalized; or
4. The primary residence is a public or private place not designed for or ordinarily used as a regular sleeping accommodation.

Assessing a region's homeless population is difficult because of the transient nature of the population. San Diego County's leading authority on the region's homeless population is the Regional Task Force on the Homeless (RTFH). Based on information provided by individual jurisdictions, the majority of the region's homeless is concentrated in the urban areas, but a sizeable number of homeless persons make their temporary residence in rural areas (Table 10-). Rural homeless tend to be individuals and migrant farmworkers/day laborers. The RTFH estimated 110 homeless persons in Carlsbad in 2012, including 62 unsheltered individuals (56 percent).

In the North San Diego County area, the majority of homeless persons congregate in the cities of Oceanside, Vista, and Escondido. This is reflected in the number of shelters and service agencies in those communities (Table 10-13). In addition, several transitional housing facilities and service agencies are located in Carlsbad. With La Posada de Guadalupe anticipated to provide between 100 and 120 beds by the middle of 2013, the unsheltered need should be sufficiently accommodated in the city.

TABLE 10-12: HOMELESS POPULATION BY JURISDICTION 2012

	UNSHELTERED	SHELTERED				% UNSHELTERED
		EMERGENCY SHELTERS	TRANSITIONAL HOUSING	SAFE HAVENS	TOTAL	
Carlsbad	62	48	0	0	110	56%
Encinitas	89	33	0	13	135	66%
Escondido	127	78	10	215	430	30%
Oceanside	219	72	0	195	486	45%
San Diego City	3,623	653	42	2,061	6,379	57%
San Marcos	37	0	0	0	37	100%
Solana Beach	15	0	0	0	15	100%
Vista	88	61	0	334	483	18%
San Diego County Unincorporated	181	0	0	0	181	100%

Sources: San Diego Regional Task Force on the Homeless, We All Count Point-In-Time Count, 2012.

TABLE 10-13: HOMELESS SHELTERS AND SERVICES, NORTH SAN DIEGO COUNTY

NAME	AGENCY	TARGET POPULATION	SPECIAL NEEDS	LOCATION	# BEDS ¹
Emergency Shelters					
House of Martha and Mary	Brother Benno's Foundation	Women, women with children	Homeless	Oceanside	6
Libre!	Community Resource Center	Women, women with children	Domestic violence	Encinitas	11
Women's Resource Center	Women's Resource Center	Women, women with children	Domestic violence	Oceanside	26
Transitional Shelters					
Brother Benno's Recovery	Brother Benno's Foundation	Adult men	Homeless	Oceanside	n.a.
House of Dorothy	Brother Benno's Foundation	Women	Substance abuse	Oceanside	6
Casa Raphael	Alpha Project for the Homeless	Adult men	Homeless	Vista	n.a.
Centro	Community Housing of N.C.	Families	Homeless	Vista	n.a.
Family Recovery Center	E.Y.E.	Women with children	Substance abuse	Oceanside	90
House of James and John	Brother Benno's Foundation	Adult men	Homeless	Oceanside	n.a.
Solutions Intake and Access Center	North County Solutions for Change	Family homeless	Homeless	Vista	32 ²
La Posada de Guadalupe	Catholic Charities	Adult men	Homeless	Carlsbad	50/120 ³

TABLE 10-13: HOMELESS SHELTERS AND SERVICES, NORTH SAN DIEGO COUNTY

NAME	AGENCY	TARGET POPULATION	SPECIAL NEEDS	LOCATION	# BEDS ¹
Oz North Coast	Y.M.C.A.	Homeless youth	Homeless	Oceanside	n.a.
Transition House	Women's Resource Center	Families	Homeless	Oceanside	17
Transitional House Program	Community Resource Center	Families	Homeless	Encinitas	12
Day Shelters					
Brother Benno's Center	Brother Benno's Foundation	General	Homeless	Oceanside	--
N.C. Regional Recovery Center	M.I.T.E.	General	SMI and substance abuse	Oceanside	--
N.C. Safe Havens Project	Episcopal Comm. Services	Adults	SMI and substance abuse	Oceanside	--
Options – Day Treatment	E.Y.E.	Families	Substance abuse	Oceanside	--
Social Services					
Case Management Agency	North Coastal Service Center	General	Homeless	Oceanside	--
Infoline	United Way	General	Homeless	North County	--
Lifeline	Lifeline Community Services	General	Homeless	Vista	--
Oceanside Family Services	Salvation Army	General	Homeless	Oceanside	--
Social Services	Community Resources Center	General	Homeless	Carlsbad/Encinitas	--
TOTAL BEDS					300-320

n.a. = Not Available

1 Based upon the number of shelter beds available each night.

2 This facility is operated as part of North County Solutions for Change (NCSFC) 1000-day Solutions University program. Families entering the program are transitioned to campus-style apartment housing (32 units) for up to 500 days, where services, counseling and training are provided. Once families successfully complete this portion of the program, they become eligible to move to off-campus affordable housing during the second half of the program. Currently, NCSFC owns and manages approximately 40 units throughout North County, and has recently acquired another 48 units to expand their program.

3 In 2011, Catholic Charities received funding and permission from the city to rebuild and expand the existing facility to provide up to 120 beds for farmworkers and general homeless men. Construction is underway and is expected to be completed by July 2013.

Sources: San Diego Regional Task Force on the Homeless, 2004; and city of Carlsbad, 2004.

Farmworkers

Analysis conducted in 2008 during the Envision Carlsbad process identified 935 acres of agricultural land in Carlsbad (including active or fallow). According to California Regional Economies Employment data for 2010, 9,629 persons were employed in agriculture (including forestry, fishing, and hunting) in San Diego County, earning average annual wages of \$28,799, substantially lower than the median income of the county (\$75,900) (this data compares individual income versus household income and does not necessarily constitute the agricultural worker's entire income).

According to the Census, only 236 persons who lived in Carlsbad were employed in the farming, forestry, and fishing occupations in 2010. However, the Census likely underestimated the true number of farmworkers in Carlsbad due to the seasonal nature of the employment, the use of migrant laborers, and the significant level of under-reporting among undocumented persons. In 2010, 89 of the city's homeless persons were farmworkers or day laborers, further underscoring the needs of this group of residents/workers.

In 2008, the City Council approved \$2 million in funding to rebuild and expand the city's existing homeless/farmworker shelter, La Posada de Guadalupe. Reconstruction of the shelter is now underway. When completed in July 2013, the expansion will provide 50 to 72 beds specifically for farmworkers in addition to the 50 beds the shelter now provides for other homeless persons (which may include farmworkers). More information about this project and the funding may be found in Section 10.3.2, Financial Resources.

Students

Typically, students have low incomes and therefore can be impacted by a lack of affordable housing, which can often lead to overcrowding within this special needs group. Carlsbad is located in proximity to California State University at San Marcos, Mira Costa Community College, and Palomar Community College. In addition, the University of California at San Diego is located approximately 20 miles to the south, and the private University of San Diego, as well as the region's largest university, San Diego State University, are located within a 30-minute drive from Carlsbad. In 2010, approximately 24 percent of Carlsbad residents were enrolled in a college or graduate school.

Military

The U.S. Marine Corps Camp Pendleton is located within five miles north of Carlsbad, adjacent to the city of Oceanside. As a result, there is demand for housing for military personnel within Carlsbad. This demand has two components: active military personnel seeking housing near the base, and retired military remaining near the base after serving. Most enlisted military individuals earn incomes at the lower range of the military pay scale and need affordable housing options. As of July 2010 Camp Pendleton had approximately 7,300

housing units on base. However, the waiting list for on-base housing can take up to 18 months, depending on rank, the number of bedrooms requested and various other factors. In 2010, the Census reported that 1,146 active duty military personnel lived in Carlsbad. Although proximity to the base makes Carlsbad a desirable place to reside for all military ranks, high housing costs may explain the relatively low number of military personnel residing in the city.

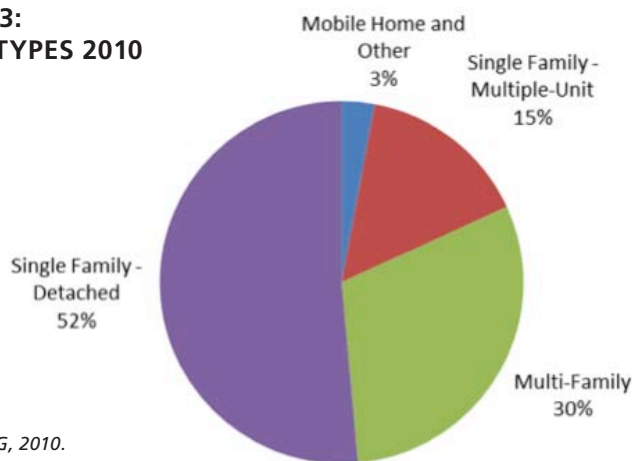
Housing Characteristics

Housing Type

According to SANDAG and the Census, Carlsbad had 44,422 housing units as of 2010. Among these units, as indicated in Chart 10-3, two-thirds (67 percent) were single-family, including 52 percent consisting of single-family detached units and 15 percent single-family attached units; multi-family dwelling units comprised 30 percent of the city's housing stock in 2010 and the remaining 3 percent were mobile homes.

Between 2000 and 2010, the housing stock in Carlsbad increased 31 percent. Much of that increase was due to the significant increase in multi-family units. Since 2000, the proportion of single-family dwelling units (detached and attached) and mobile homes in the city decreased but the proportion of multi-family units increased (Table 10-14), suggesting a trend toward more compact development and opportunities for more affordable housing.

**CHART 10-3:
HOUSING TYPES 2010**



Source: SANDAG, 2010.

TABLE 10-14: HOUSING UNIT TYPE 2000 AND 2010

HOUSING UNIT TYPE	2000		2010	
	#	%	#	%
Single Family Detached	17,824	53%	22,847	52%
Single Family Attached	5,728	17%	6,765	15%
Multifamily	8,937	26%	13,511	30%
Mobile Homes/Other	1,309	4%	1,299	3%
TOTAL	33,798	100%	44,422	100%

Sources: SANDAG, U.S. Census, 2000 and 2010.

Housing Tenure

From 2000 to 2010, the tenure distribution (owner versus renter) in Carlsbad shifted slightly toward renters, while owner-occupied units still represent the majority. Rental units are a good option for lower income households in the short-term since they do not necessitate large down payments (though they may require security deposits). By definition, a household is an occupied housing unit.

According to the 2000 Census, among the occupied housing units in Carlsbad, 67 percent were owner-occupied and 33 percent were renter-occupied. In 2010, the proportion of renter-households increased to 35 percent, while the proportion of homeowners decreased to 65 percent, which was higher than the average homeownership rate of San Diego County in 2010, where only 54 percent of the households were owner-occupied.

Housing Vacancy

A vacancy rate is often a good indicator of how effectively for-sale and rental units are meeting the current demand for housing in a community. Vacancy rates of 5 to 6 percent for rental housing and 1.5 to 2 percent for ownership housing are generally considered a balance between the demand and supply for housing. A higher vacancy rate may indicate an excess supply of units and therefore price depreciation, while a low vacancy rate may indicate a shortage of units and resulting escalation of housing prices.

While the overall vacancy rates in the city were 7.4 percent in 2010, the true vacancy rates were substantially lower (Table 10-15). Due to its desirable location and the various amenities offered in the city, a portion of the housing stock in the city has always been used as second and vacation homes. These units were not available for sale or for rent. Of those units available, the for-sale vacancy rate was 0.8 percent in 2010, and rental vacancy rate was 1.6 percent. These low vacancy rates suggest that the for-sale and rental markets are competitive and that sale prices and market-rate rents may increase.

TABLE 10-15: HOUSING VACANCY 2010

TYPE	#	%
For Rent	712	1.6%
For Sale	372	0.8%
Seasonal/Recreational Use	1,758	3.9%
Other Vacant ¹	486	1.1%
OVERALL VACANCY	3,328	7.4%

¹ Includes units that are rented or sold, but not occupied (i.e., abandoned or otherwise vacant)

Sources: ACS 2006-2010 and U.S. Census, 2010.

Housing Age and Condition

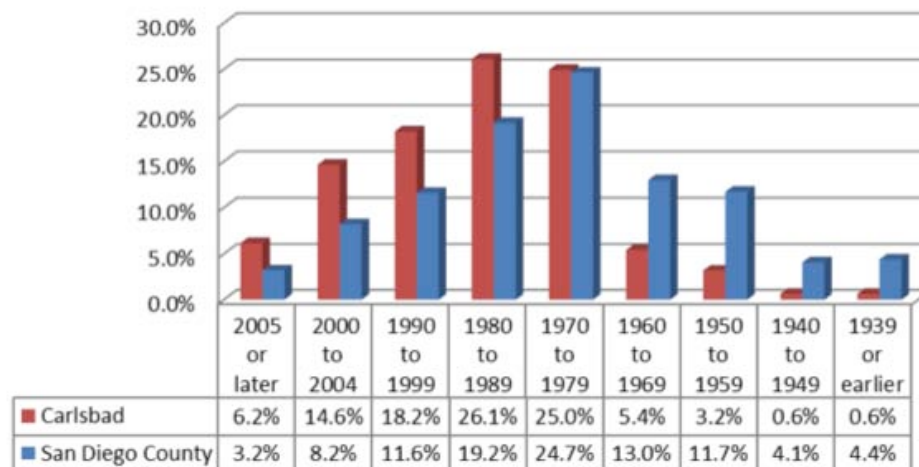
Housing age and condition affect the quality of life in Carlsbad. Like any other tangible asset, housing is subject to gradual deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, thereby depressing neighboring property values, and eventually affecting the quality of life in a neighborhood.

Carlsbad's housing stock is much newer on average compared to San Diego County's housing stock (Chart 10-4), suggesting households may need to spend less on repairs and upgrades. Although the city incorporated more than 50 years ago, the majority of the housing in Carlsbad is fairly new, with a relatively small portion of the housing stock over 30 years old (approximately 35 percent). The majority (65 percent) of the city's housing stock was constructed after 1980, including 21 percent that was constructed after 2000.

Most homes require greater maintenance as they approach 30 years of age. Common repairs needed include a new roof, wall plaster, and stucco. Using the 30-year measure, as many as 15,000 housing units could be in need of repair or rehabilitation if they have not been well maintained. Housing units aged more than 30 years are primarily concentrated in Carlsbad's Village area.

Homes older than 50 years require more substantial repairs, such as new siding, or plumbing, in order to maintain the quality of the structure. Approximately 2,000 units are older than 50 years. The Census Bureau also provides estimates of substandard housing conditions. While this is not a severe problem in Carlsbad, in 2010, this included 13 units with incomplete plumbing and 41 units without a complete kitchen. According to the city's Building Department, an estimated 10 housing units in the city are in dilapidated conditions and in need of replacement.

CHART 10-4: YEAR STRUCTURE BUILT 2010



Sources: U.S. Census, 2000; and ACS 2006-2010.

Housing Costs and Affordability

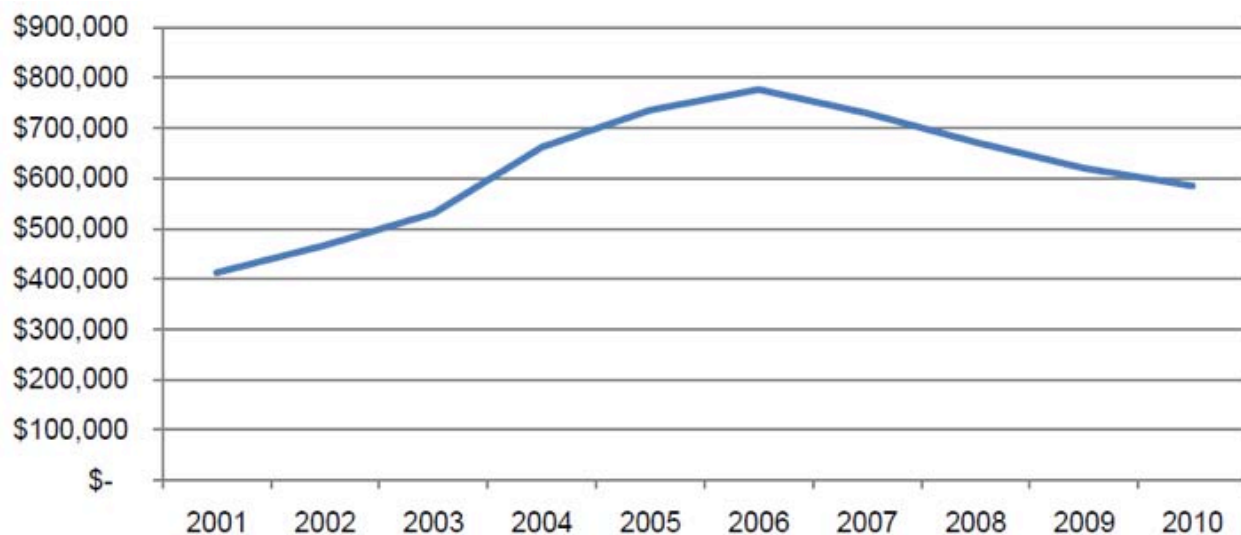
If housing costs are relatively high in comparison to household income, there will be a correspondingly higher prevalence of housing cost burden (overpayment) and overcrowding. This section summarizes the cost and affordability of the housing stock to Carlsbad residents.

Homeownership Market

Like most communities across the state and country, housing prices increased in the early 2000s in Carlsbad and then decreased in recent years with the housing market and economic downturn. From 2001 through Aug. 30, 2010, average home sales prices in Carlsbad increased overall by 42 percent (Chart 10-5). Average sales prices peaked in 2006 at \$776,710 before returning to 2003/2004 average sales prices by 2010.

The downward trend in home prices continued between 2010 and 2011, not only for Carlsbad, but other North County cities as well (Table 10-16). Median home prices in Carlsbad declined 5 percent between 2010 and 2011. Solana Beach experienced the largest year over year decline in value.

CHART 10-5: AVERAGE HOME SALES PRICES IN CARLSBAD



1 2010 data is based on residential sales as of Aug. 30, 2010.

2 Residential sales include single family home and condominium sales.

Source: First American CoreLogic MetroScan Database.

TABLE 10-16: MEDIAN HOME PRICES 2010-2011

	2010	2011	% CHANGE 2010-2011
Carlsbad	\$580,000	\$552,500	-5%
Encinitas	\$630,000	\$606,500	-4%
Escondido	\$288,000	\$275,000	-5%
Oceanside	\$297,000	\$283,000	-5%
Poway	\$451,250	\$427,000	-5%
San Marcos	\$347,000	\$342,500	-1%
Solana Beach	\$1,050,000	\$831,000	-21%
Vista	\$295,000	\$280,000	-5%
SAN DIEGO COUNTY	\$331,500	\$320,000	-3%

Source: Data Quick, 2011.

Rental Market

Internet resources were consulted to understand the rental housing market in Carlsbad (Table 10-17). Websites were searched in July 2012 and rental price information was collected for 10 apartment complexes within the city. Rents for studio apartments ranged from \$1,030 to \$1,999 per month, while one-bedroom units rented for \$1,030 to \$3,075. Larger units were slightly more expensive; two-bedroom units were offered at rents ranging from \$1,030 to \$3,600, while three-bedroom units ranged from \$1,700 to \$2,940 per month. It should be noted that these rental rates were derived from units in large apartment complexes that are often managed by management companies. As such, these units generally command higher rents than units in older and smaller complexes.

TABLE 10-17: APARTMENT RENTAL RATES JULY 2012

APARTMENT TYPE	RENTAL PRICE RANGE
Studio	\$1,030-1,999
1-bedroom	\$1,030-3,075
2-bedroom	\$1,030-3,600
3-bedroom	\$1,210-2,940

Sources: Apartments.com, Realtor.com, and rentnet.com, July 2012.

Housing Affordability by Household Income

Housing affordability can be inferred by comparing the cost of renting or owning a home in the city with the maximum affordable housing costs for households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment.

HUD conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Based on this survey, HCD developed income limits that can be used to determine the maximum price that could be affordable to households in the upper range of their respective income category. Households in the lower end of each category can afford less by comparison than those at the upper end. The maximum affordable home and rental prices for residents of San Diego County are shown in Table 10-18.

The market-affordability of the city's housing stock for each income group is discussed below.

Extremely Low Income Households

Extremely low income households are classified as those earning 30 percent or less of the AMI. This group usually includes seniors, homeless, persons with disabilities, farmworkers, and those in the workforce making minimum wages. Based on the rental data presented in Table 10-17 and maximum affordable rental payment in Table 10-18, extremely low income households of all sizes would be unlikely to secure adequately sized and affordable rental or ownership market-rate housing in Carlsbad.

Very Low Income Households

Very low income households are classified as those earning between 31 and 50 percent of the AMI. Based on the rental data presented in Table 10-17 and maximum affordable rental payment in Table 10-18, very low income households of all sizes would be unlikely to secure adequately sized and affordable rental market rate housing in Carlsbad. Similarly, real estate data also indicated that very low income households in Carlsbad could not afford the price of any adequately sized market-rate home in the city.

Low Income Households

Low income households earn 51 to 80 percent of the AMI. Based on the sales data provided by DataQuick, low income households would have a similar problem as very low income households in purchasing adequately sized and affordable housing, either single-family homes or condominiums.

Low income households have a better chance of securing rental market rate housing in Carlsbad than very low income households. However, only the low end of the advertised rental rate ranges for three-bedroom apartments would be affordable for low income households, indicating that securing adequately sized and affordable market-rate rental housing may be very difficult for larger low income households in Carlsbad.

TABLE 10-18: AFFORDABLE HOUSING COSTS 2012

INCOME GROUP AND HOUSEHOLD SIZE	AFFORDABLE PAYMENT		HOUSING COSTS		MAXIMUM AFFORDABLE PRICE	
	MAXIMUM ANNUAL INCOME	AFFORDABLE PAYMENT	UTILITIES	TAXES AND INSURANCE	SALE	RENT
Extremely Low						
One-Person	\$16,900	\$423	\$50	\$100	\$63,450	\$373
Two-Person	\$19,300	\$483	\$75	\$125	\$65,750	\$408
Four-Person	\$21,700	\$543	\$100	\$150	\$68,100	\$443
Five-Person	\$24,100	\$603	\$100	\$150	\$82,050	\$503
Very Low						
One-Person	\$28,150	\$704	\$50	\$125	\$123,100	\$654
Two-Person	\$32,150	\$804	\$100	\$150	\$128,900	\$704
Four-Person	\$36,150	\$904	\$150	\$175	\$134,750	\$754
Five-Person	\$40,150	\$1,004	\$150	\$175	\$158,000	\$854
Low						
One-Person	\$45,000	\$1,125	\$75	\$175	\$203,700	\$1,050
Two-Person	\$51,400	\$1,285	\$125	\$200	\$223,500	\$1,160
Four-Person	\$57,850	\$1,446	\$200	\$225	\$237,800	\$1,246
Five-Person	\$64,250	\$1,606	\$200	\$225	\$275,050	\$1,406
Moderate						
One-Person	\$63,800	\$1,595	\$100	\$225	\$295,700	\$1,495
Two-Person	\$72,900	\$1,823	\$175	\$275	\$319,550	\$1,648
Four-Person	\$82,000	\$2,050	\$250	\$325	\$343,450	\$1,800
Five-Person	\$91,100	\$2,278	\$250	\$325	\$396,400	\$2,028

1 2012 Area Median Income (AMI) = \$75,900

2 Utility costs for renters assumed at \$50-\$250 per month

3 Monthly affordable rent based on payments of no more than 30% of household income

4 Property taxes and insurance based on averages for the region

5 Calculation of affordable home sales prices based on a down payment of 20%, annual interest rate of 5%, 30-year mortgage, and monthly payment of 30% gross household income

Sources: U.S. Department of Housing and Urban Development, FY 2012.

Moderate Income Households

Moderate income households are classified as those earning between 81 and 120 percent of the AMI. Based on income-affordability, moderate income households could afford low and mid-range market-rate rental units in the city, except for some larger three-bedroom units. In addition, some smaller market-rate condominiums are within the affordable price range of moderate income households. DataQuick reports sales prices for condominium resales averaging \$358,000 August 2012—substantially lower than the resales of single-family homes which averaged \$631,000 that month.

Overcrowding

Overcrowding is typically defined as more than one person per room. Severe overcrowding occurs when there are more than 1.5 persons per room. Overcrowding can result when there are not enough adequately sized units within a community, or when high housing costs relative to income force too many individuals to share a housing unit than it can adequately accommodate. Overcrowding also tends to accelerate deterioration of housing and overextend the capacity of infrastructure and facilities designed for the neighborhood.

In 2008, fewer than 2 percent of Carlsbad households lived in overcrowded or severely overcrowded conditions (Table 10-19). Overcrowding disproportionately affected renters (3.9 percent of renters versus 0.4 percent of owners), indicating overcrowding may be the result of an inadequate supply of larger-sized and affordable rental units. While 64 percent of occupied housing units in the city had more than three bedrooms (the minimum size considered large enough to avoid most overcrowding issues among large households), only a small portion of these units (15 percent or nearly 3,800 units) were renter-occupied.

TABLE 10-19: OVERCROWDING CONDITIONS 2008

TYPE	OWNER-OCCUPIED	RENTER-OCCUPIED	TOTAL
Total Occupied Units	26,220	12,430	38,650
Overcrowded Units (> 1 person/room)	100	200	300
% Overcrowded	<1%	1.6%	<1%
Severely Overcrowded Units (>1.5 persons/room)	15	285	300
% Severely Overcrowded	<1%	2.3%	<1%

Sources: Apartments.com, Realtor.com, and rentnet.com, July 2012.

Overpayment

A household is considered to be overpaying for housing (or cost burdened) if it spends more than 30 percent of its gross income on housing. Severe housing cost burden occurs when a household pays more than 50 percent of its income on housing. The prevalence of overpayment varies significantly by income, tenure, household type, and household size.

According to the 2008 CHAS, 8,210 households were overpaying for housing (Table 10-20). Extremely low-income households were more likely to have a cost burden of more than 50 percent; compared to other income levels, this suggests that they are not finding affordable housing options and that they have less income available for other needs.

TABLE 10-20: HOUSING ASSISTANCE NEEDS OF LOWER INCOME HOUSEHOLDS

HOUSEHOLD BY TYPE, INCOME AND HOUSING PROBLEM	RENTERS	OWNERS	TOTAL
Extremely Low Income (0-30% AMI)	1,245	885	2,130
% with cost burden 30-49%	17%	5%	12%
% with cost burden > 50%	83%	95%	88%
Very Low Income (31-50% AMI)	1,740	935	2,675
% with cost burden 30-49%	42%	24%	36%
% with cost burden > 50%	58%	76%	64%
Low Income (51-80% AMI)	1,690	1,715	3,405
% with cost burden 30-49%	81%	25%	53%
% with cost burden > 50%	19%	75%	47%
Total Lower Income Households	4,675	3,535	8,210
% with cost burden 30-49%	49%	20%	37%
% with cost burden > 50%	51%	80%	63%

Sources: HUD Comprehensive Housing Affordability Strategy (CHAS), January 2008.

Inventory of Affordable Housing and At-Risk Status

Developing new affordable housing has become increasingly costly, due to the escalating land values, labor and construction costs, as well as market pressure. Therefore, an important strategy for the City of Carlsbad is to ensure the long-term affordability of existing affordable housing. This section assesses the potential conversion of publicly assisted, affordable rental housing into market-rate housing between 2013 and 2020. Projects can be “at-risk” of conversion due to expiration of affordability restrictions or termination of subsidies.

Inventory of Affordable Housing

Through December 31, 2010, Carlsbad had 21 multi-family projects that offer a total of 1,939 units affordable to lower income households via various federal, state, or local programs. The city’s Inclusionary Housing Ordinance is responsible for producing 1,646 of Carlsbad’s affordable housing units in 16 developments as shown in Table 10-21.

In addition, the city-owned Tyler Court offers 75 affordable units to extremely low and very low income seniors; two other affordable housing developments have been constructed through other funding mechanisms, including tax-exempt bonds.

At-Risk Status

The city’s Inclusionary Housing Ordinance requires that all inclusionary units maintain their affordability for a period of 55 years. Since the units were all constructed after 1990, these units are not considered to be “at risk” of converting to market-rate housing. The Tyler Court senior apartment complex is owned by the city and if sold, would be required to maintain affordability restrictions for 55 years. The only project within the City that may be considered as at risk is Santa Fe Ranch, which is subject to tax exempt bonds and when those bonds are repaid 64 units may convert to market rate.

In 1985, the City Council issued Multifamily Housing Revenue Bonds to provide construction financing for the 320-unit Santa Fe Ranch Apartments. The incentive to the City to participate in this project was the restriction of 64 units to rents affordable to lower income households (80 percent of County area median income or below).

In May of 1993, the City Council agreed to assist with the refinancing of the outstanding bonds for the subject project and allow the owner to take advantage of lower interest rates. At that time, the City issued its Variable Rate Demand Multifamily Housing Revenue Refunding Bonds, which currently have an outstanding principal balance of \$15.9 million. The affordability restrictions on the 12 one-bedroom and 52 two-bedroom units remain in place as long as the bonds are outstanding. Once the bonds are paid in full, the regulatory agreement with the City expires and the property owner may increase the rents.

TABLE 10–21: INVENTORY OF ASSISTED RENTAL HOUSING

PROJECT NAME	QUADRANT	ASSISTED UNITS	RESTRICTING PROGRAM	EARLIEST DATE OF CONVERSION	# UNITS
Archstone Pacific View 5162 Whitman Way	Northwest	111	Inclusionary Housing	Year 2058	0
Bluwater Apartments 6797 Embarcadero Lane	Northeast	12	Inclusionary Housing	Year 2064	0
Cassia Heights 2029 Cassia Way	Southeast	56	Regulatory Agreement	Year 2060	0
Glen Ridge 3555 Glen Avenue	Northeast	78	Inclusionary Housing	Year 2062	0
Hunter's Pointe 7270 Calle Plata	Southeast	168	Inclusionary Housing	Year 2061	0
Laurel Tree 1307 Laurel Tree Lane	Southwest	138	Inclusionary Housing	Year 2055	0
La Costa Condominiums (Under Construction)	Southwest	9	Inclusionary Housing	Year 2066	0
La Paloma 1953 Dove Lane	Southeast	180	Inclusionary Housing	Year 2060	0
Marbella 2504 Marron Road	Northeast	29	Inclusionary Housing	Year 2061	0
Mariposa/Calavera Hills 4651 Red Bluff Place	Northeast	106	Inclusionary Housing	Year 2059	0
Pacific View/Kelly Ranch 5162 Whitman Way	Northwest	111	Inclusionary Housing	Year 2059	0
Poinsettia Station 6811 Embarcadero Lane	Southwest	92	Inclusionary Housing	Year 2055	0
Rancho Carrillo 6053 Paseo Acompo	Southeast	116	Inclusionary Housing	Year 2055	0
Santa Fe Ranch 3402 Calle Odessa	Southeast	64	Tax Exempt Bonds	When bonds are repaid	64
Sunny Creek 5420 Sunny Creek Road	Northeast	50	Inclusionary Housing	Year 2057	0
Tavarua Senior Apt. 3658 Harding Street	Northwest	50	Regulatory Agreement	Year 2067	0
The Traditions 1901 Cassia Way	Southwest	24	Inclusionary Housing	Year 2060	0
Tyler Court 3363 Tyler Street	Northwest	75	City Owned	If sold, city would require 55- year restriction on all units	0
Villa Loma 6421 Tobria Terrace	Southwest	344	Inclusionary Housing	Year 2051	0
Vista Las Flores 6408 Halyard Place	Southwest	28	Inclusionary Housing	Year 2056	0
TOTAL		1,841			64

Units restricted through the city's Inclusionary Housing program require 55-year rent restrictions.

Sources: HUD Comprehensive Housing Affordability Strategy (CHAS), January 2008.

TABLE 10–22: RENT SUBSIDY ANALYSIS

SANTA FE RANCH APARTMENTS	UNIT MIX	MARKET RENT ¹	AFFORDABLE RENT ²	REQUIRED SUBSIDY
One-bedroom	12	\$1,159	\$1,156	\$36
Two-bedroom	52	\$1,520	\$1,384	\$7,072
Total Monthly Required Subsidy				\$7,108
Total Annual Required Subsidy				\$85,296
1 Market rent based on City of Carlsbad 2012 Fair Market Rent Payment Standards				
2 Monthly maximum rents as of Sept. 2013 (80% AMI).				

Source: City of Carlsbad, Housing and Neighborhood Services

While these units are not in any immediate risk of conversion, the owner may choose to pay off bonds at any time subject to provisions in bond documents. The city has no knowledge of owner interest in doing so, and considers prepayment to be unlikely since market rate values are not significantly higher than the current affordability level. However, as described in Section 10.6 (Program 1.5), the city will continue to monitor the status of the Santa Fe Ranch Apartments to ensure continued affordability.

Preservation

Preserving the affordability of existing housing is a primary goal of the City of Carlsbad. One option to preserve the affordability of the at-risk units is to provide an incentive package to the owners to maintain the units as affordable housing. Incentives could include writing down the interest rate on the remaining loan balance, and/or a lump sum payment.

Another option would be for the city to provide a rent subsidy. The subsidy amount would equal the difference between market rent and affordable rent. As shown in Table 10-22 above, annual subsidies of about \$85,300 would be required to bridge the “affordability gap” of the at-risk units at Santa Fe Ranch.

Replacement

One option for replacing the 64 units at Santa Fe Ranch would be to purchase similar units in Carlsbad and maintain them as long term affordable housing. Using rule-of-thumb assumptions, the market value of the at-risk units is estimated at \$10.6 million, as shown in Table 10-23 below.

Construction of Replacement Units

Another replacement option would be to construct new units. The cost of developing new housing depends on a variety of factors such as density, size of units, location and related land costs, and type of construction. Assuming an average development cost of \$230,000 per unit for multi-family rental housing, replacement of the 64 at-risk units would require approximately \$14.7 million. This cost estimate includes land, construction, permits, on- and off-site improvements, and other costs.

TABLE 10–23: MARKET VALUE OF AT-RISK HOUSING UNITS

SANTA FE RANCH APARTMENTS	REQUIRED SUBSIDY
One-bedroom	12
Two-bedroom	52
Total Units	64
Annual Operating Costs	\$273,000
Gross Annual Income	\$1,179,360
Net Annual Income	\$847,392
Market Value	\$10,592,400

Market value for the project is estimated with the following assumptions:

Average unit size: One-bedroom = 650 square feet; Two-bedroom = 900 square feet

Average market rent (at \$1.80/square foot): One-bedroom unit = \$1,170; Two-bedroom = \$1,620

Vacancy rate: 5%

Annual operating expenses: \$5.0/square foot

Net annual income: gross annual income less annual operating costs less vacancy allowance

Market value: net annual income times multiplication factor (12.5 for a building in good/excellent condition)

Cost Comparisons

The above analysis attempts to estimate the cost of preserving the at-risk units under various options. In general, providing additional incentives/subsidies to extend the affordability covenant would require the least funding over the long run, whereas the construction of new units would be the most costly option. Over the short term, providing rent subsidies would be least costly but this option does not guarantee the long-term affordability of the units.

Resources for Preservation

Preservation of at-risk housing requires not only financial resources but also administrative capacity of nonprofit organizations. These resources are discussed in Sections 10.3.2 and 10.3.3 of this Housing Element.

10.3 Resources Available

This section summarizes land, financial, administrative, and energy conservation resources available for development, rehabilitation, and preservation of housing in Carlsbad. The analysis includes: an evaluation of the adequacy of the city's land inventory to accommodate the city's share of regional housing needs for the 2013-2020 planning period; a review of financial resources to support housing activities; a discussion of the administrative resources available to assist in implementing the housing programs contained in this Housing Element; and a description of the requirements and resources Carlsbad has to encourage energy efficient and healthy households.

Residential Development Potential

State law requires local jurisdictions to plan their residential land and standards to ensure adequate housing is available to meet the expected population growth in the region. Specifically, a jurisdiction must demonstrate in the Housing Element that its residential land inventory is adequate to accommodate its Regional Housing Needs Assessment (RHNA). This section assesses the adequacy of Carlsbad's vacant and underutilized land inventory in meeting future housing needs.

Future Housing Needs

The State Department of Housing and Community Development (HCD) projected a need for 161,980 new housing units in the San Diego region for an 11-year period between January 1, 2010 and December 31, 2020. The San Diego Association of Governments (SANDAG) is responsible for allocating this housing need to the 19 jurisdictions within the county. In this capacity, SANDAG developed a RHNA that determines each jurisdiction's "fair share" of the region's projected housing need through 2020, based on factors such as recent growth trends, income distribution, and capacity for future growth.

The City of Carlsbad's share of the RHNA is 4,999 units, which is about 3 percent of the overall regional housing need. The city must demonstrate availability of residential sites at appropriate densities and development standards to accommodate these units according to the following income distribution:

- Very Low Income:¹ 912 units (18 percent)
- Low Income: 693 units (14 percent)
- Moderate Income: 1,062 units (21 percent)
- Above Moderate Income: 2,332 units (47 percent)

¹ According to 2008 CHAS data, 43 percent of the City's very low income households fall within the extremely low income category (also see Table 10-9). Therefore the City's RHNA of 912 very low income units may be split into 389 extremely low and 523 very low income units.

Progress toward Meeting the RHNA

While the Housing Element is an eight-year plan (2013-2021), the RHNA is based on HCD's 11-year housing need planning period (2010-2020). Therefore, housing units constructed, under construction, or entitled since January 1, 2010 can be credited toward satisfying the city's RHNA, even though those units were constructed or entitled prior to the planning period covered by this Housing Element. Table 10-24 provides a detailed accounting of the affordable units, including moderate-income units, approved, under construction or built between January 1, 2010 and December 31, 2012.

Units Constructed and Under Construction

As part of the city's Inclusionary Housing program, affordable units have been constructed (or are under construction) in Carlsbad since January 1, 2010 (Table 10-24). Specifically, 46 very low income and 24 low income units have been constructed or are under construction, and subsidized through the inclusionary program or otherwise affordable due to sales/rental price.

In addition, 103 units have been or will be produced for moderate income households through the inclusionary program, or in the case of 14 second dwelling units, through market rents. At the market rate level, 935 dwelling units have been constructed since January 1, 2010 or are under construction.

Units Approved

In addition to units constructed, several residential development projects have been approved by the city (Table 10-24). These approvals include 76 dwelling units available for low income households and 40 units for moderate income households, based on the city's inclusionary housing program or anticipated sales prices.

TABLE 10-24: HOUSING PRODUCTION JANUARY 1, 2010 THROUGH DECEMBER 31, 2012

PROJECT NAME	HOUSEHOLD INCOME				TOTAL	SUBSIDY
	VERY LOW	LOW	MODERATE	ABOVE MODERATE		
Completed/Under Construction	46	24	103	935	1,108	
Various Market Rate				935	935	n/a
La Costa Condominiums		9	49		58	Inclusionary (Low)/rental price (Mod) (\$2,100-2,800/mo.)
Tavarua Senior Apartments	35	15			50	Affordable agreement with City recorded
La Costa Bluffs			24		24	Based on rental price (\$2,000-2,300/mo.)
Vitalia Flats			14		14	Based on anticipated rental price
Smerud Duplex			2		2	Based on anticipated rental price
Roosevelt Gardens	11				11	Affordable agreement with City recorded
Second Dwelling Units			14		14	Based on anticipated rental price
Approved but not yet built		99	64		163	
Encinas Creek Apartments (fka Cantarini/Holly Springs)		63	64		127	Inclusionary (Low) and anticipated rental price (Mod)
Dos Colinas (Senior)		24			24	Inclusionary
Roosevelt Street Residences		7			7	Inclusionary
Seascape		2			2	Second dwelling unit; based on anticipated price
Lumiere Carlsbad Village		2			2	Inclusionary
State Street Mixed Use		1			1	Inclusionary
TOTAL	46	123	167	935	1,271	

Source: City of Carlsbad, 2012.

Summary

Table 10-25 summarizes the city's progress toward meeting the RHNA. Overall, the city has a remaining RHNA of 1,436 lower income and 895 moderate income units; the city must demonstrate the availability of residential sites at appropriate densities to accommodate these units.

TABLE 10-25: PROGRESS TOWARD MEETING THE RHNA

	HOUSEHOLD INCOME				TOTAL
	VERY LOW	LOW	MODERATE	ABOVE MODERATE	
Constructed/ Under Construction	46	24	103	935	1,108
Approved	0	99	64	**	163
Total	46	123	167	935	1,271
RHNA	912	693	1,062	2,332	4,999
RHNA Remaining	866	570	895	1,397	3,728

** Above moderate housing projects that are approved but not constructed or under construction are accounted for in the vacant and underdeveloped sites inventory.

Sources: City of Carlsbad, Dyett & Bhatia, 2013.

Assumptions for Sites Inventory

This section describes assumptions for how the sites inventory was determined, particularly as it relates to sites appropriate for lower income households. This includes reasonable capacity, appropriate densities (General Plan land use designations), site conditions, and locations. Unique site conditions exist in certain areas, namely the Village and Barrio; these are discussed below.

Reasonable Capacity Assumptions

Reasonable capacity is calculated for each site based on environmental constraints, site size, and the minimum permitted density.

- **Environmental Constraints.** Deductions are made for site constraints, which include steep slopes, water bodies, and San Diego Gas and Electric transmission corridors.
 - 50 percent of the land area on 25-40 percent natural slopes are assumed to be available for development
 - Natural slopes greater than 40 percent are excluded from capacity calculations
 - Areas within the 100-year flood zone are excluded from capacity calculations

- **Multiple Land Use Categories.** The acreage of any unentitled or underutilized parcel with more than one General Plan designation (e.g. RH/O/OS) is appropriately adjusted so unit yields are based only on the portion of acreage reflective of the residential designation.
- **“Underutilized” Sites.** These are sites not developed to their full potential, such as an older residence on a large lot designated for multi-family residential. The city considers a property underutilized if its improvement value is less than its land value, with values as determined by the San Diego County Assessor.² Other factors considered and reflected in the city’s sites selection include absentee ownership and the condition/age of the structure on the property (greater than 55 years).
- **Parcel Size (outside the Village and Barrio).** With the exception of parcels in the Village and the Barrio area, which have the highest densities allowable, all sites that have been assumed to have additional development potential for lower and moderate income housing are at least 0.24 acre in size—a threshold where infill development and redevelopment have occurred in recent years, as shown in Table 10-26.
- **Existing Units to Remain.** Any existing units on underutilized parcels are also deducted before determining unit yields, resulting in a “net” unit value.³
- **General Plan Land Use Designation and Corresponding Zoning District.** Allowed density is based on the General Plan land use designation and its corresponding minimum density, as described in the sites inventory and the “Relationship between Affordability and Density” subsection below. The zoning district specifies other site regulations such as parking and lot coverage requirements.

² Many economic development experts use an improvement-to-land value of 2.0 or less for identifying underutilized properties for mixed use development. The city’s use of a ratio of less than 1.0 represents a relatively conservative assumption.

³ When developing the RHNA, SANDAG has already included a replacement factor – an estimated number of existing units that may be demolished to make way for new construction. Therefore, the RHNA is a gross production requirement. The city’s sites inventory accounts for a net production capacity by discounting the existing units on site. Therefore, again, the city’s estimate of capacity is more conservative compared to the RHNA.

TABLE 10–26: APPROVED MULTI-FAMILY PROJECTS ON SMALL SITES

PROJECT	SITE SIZE (IN ACRES)	UNITS	DENSITY (DU/AC)	APPROVAL DATE
Acacia Estates	0.32	4	13	2005
Tamarack Beach Lofts	0.22	4	18	2006
Chestnut 5 Condos	0.27	5	18.5	2008
Walnut Condos	0.80	15	18.8	2008
Seabreeze Villas	0.69	12	17.4	2011
La Costa Bluffs	1.56	24	15.4	2011
Vista La Costa	0.88	19	21.6	2012

- **Assumed Density.** Each of the city's residential land use designations specifies a density range that includes a minimum density, maximum density, as well as a Growth Management Control Point (GMCP) density (the GMCP density ensures residential development does not exceed the number of dwellings permitted in the city per the city's Growth Management Plan). In the sites inventory, the minimum density is the assumed "reasonable" density for the purposes of accommodating housing affordable to lower and moderate income households.
- **Residential on Commercial Sites (Mixed Use).** The General Commercial, Local Shopping Center and Regional Commercial land use designations represent the city's mixed use districts that permit residential uses as part of a mixed use development. Capacity on these sites is assumed at a minimum of 15 units per acre on 25 percent of the developable site area (the other 75 percent is assumed for non-residential uses). These sites are listed in Appendix B (Table B-5) of the inventory since they support the General Plan vision and are good residential sites for moderate income households. However, the General Plan does not designate residential capacity to these sites (an excess dwelling unit allocation is required) and they are not necessary to meet the RHNA; therefore, these sites are only included in the Appendix B as additional possible residential sites.
- **Infrastructure Availability.** Sites are only included if necessary infrastructure is available or planned. Any exceptions are described below.

Reasonable Capacity in the Village

The Village is the densest district in Carlsbad with the best access to shopping, services, and public transit. Because of this accessibility, it represents a good opportunity for the development of affordable housing for a range of income levels.

In addition to the general assumptions above, in the Village, the minimum parcel size included in the sites inventory is 0.13 acre, which is the minimum deemed feasible for multi-family development; the average size is 0.40 acre. This relatively smaller parcel size is appropriate in the Village because:

1. Village development standards such as reduced setbacks and parking requirements, and increased lot coverage, are relatively flexible and in some cases less stringent than similar standards for properties elsewhere.
2. Planned residential densities are higher in the Village, a minimum of 18 or 28 units per acre (maximum of 23 or 35 units per acre), depending on the district, allowing at least two units on a 0.13-acre site.
3. The Village land use designations permit mixed-use development, in which residences are likely to be smaller apartments or condominiums on the upper floors. While the city encourages mixed-use projects in the Village, development of stand-alone high-density residential projects is

also permitted and would yield even more units. To account for non-residential uses, a conservative 50 percent of the potential capacity of units is assumed, while the other 50 percent of developable area could be used for non-residential uses.

Reasonable Capacity in the Barrio

The Barrio is an existing, well-established neighborhood just south of the Village and west of Interstate 5. A mix of older single-family homes, condominiums, and apartments exist in the Barrio, and a number of the properties are underutilized and absentee-owned. Furthermore, the connection between the Barrio and the commercial services in the Village, as well as easy access to nearby train and bus services and Interstate 5, make the Barrio area appropriate for more dense residential uses.

Though property values in the Barrio area remain high, the neighborhood could benefit from additional investment. Since 2000, the city has made a number of substantial public improvements in the area totaling more than \$28 million, including utility undergrounding, storm drain and street improvements, and park and senior center enhancements. Carlsbad considers the area appropriate for redevelopment at standards and densities similar to the maximum densities approved for the Village. Therefore, the city believes consideration of a lot size smaller than 0.24 acre, as is the minimum in locations outside the Village and Barrio areas, is acceptable. In the Barrio, the minimum parcel size included in the sites inventory for lower and moderate income housing is 0.16 acre, except for the Harding Street Neighbors, LP parcels described below, and the average is 0.58 acre.

Harding Street Neighbors, LP

On January 29, 2013, the City Council authorized financial assistance (\$7.4 million) to assist a developer acquire existing duplex units located in an area of the Barrio comprised of 27 parcels along Harding Street, Carol Place and Magnolia Avenue, generally north of Tamarack Avenue, south of Magnolia Avenue, east of Jefferson Street and west of Interstate 5. The intent of the property acquisition is to consolidate the parcels and construct a new 140 unit high density (minimum 23 du/ac) lower income affordable housing development. Twenty-two of the 27 parcels associated with the property acquisition are smaller (.13 to .15 acre) than the minimum parcel size for the Barrio (.16 acre); however, based on the approved funding agreement and intent to consolidate the lots for the purpose of constructing affordable housing, these 27 parcels are included in the sites inventory and combined can accommodate 140 lower income housing units. The funding agreement calls for acquisition and redevelopment of the site to be completed by December 31, 2018.

Other Lot Consolidation Opportunities

In addition to the Harding Street Neighbors, LP project described above, the city will encourage the consolidation of other small parcels in order to facilitate larger-scale developments. Specifically, the city will continue to make available an inventory of vacant and underutilized properties to interested developers, property owners, market infill and redevelopment opportunities throughout the city, particularly in the Village and Barrio, and meet with developers to identify and discuss potential project sites. For the Barrio, the city shall encourage the consolidation of parcels and enhance the feasibility of affordable housing through application of standards modifications, non-conforming use regulations, and updates to the city's Zoning Ordinance.

Relationship between Affordability and Density

For Carlsbad and other jurisdictions considered to be urban metropolitan areas, California Government Code Section 65583.2 states that a density of 30 units per acre is appropriate to enable lower income housing. However, the city can specify a lower density to accommodate lower income housing, provided the city can demonstrate how sites designated at the lower density can accommodate the city's RHNA. Such analysis may include, but is not limited to, factors such as market demand, financial feasibility, or information based on development project experience. While the city acknowledges that the availability of higher density residential sites is directly related to the achievement of higher density housing, experience has demonstrated that in Carlsbad, the private housing market would not develop affordable housing solely because of the availability of high density land; instead, market intervention by local government is required.

Accordingly, in the early 1990s the City of Carlsbad implemented a comprehensive and rigorous affordable housing program (i.e., the Inclusionary Housing Ordinance, Carlsbad Municipal Code Chapter 21.85) that: 1) established a minimum 15 percent inclusionary lower-income housing mandate for all residential projects; 2) offered unlimited density increases for affordable projects; 3) allowed for modifications to development standards to accommodate higher densities; and 4) provided significant financial subsidies for affordable housing.

Carlsbad has tailored its existing housing program to increase housing affordability. A key component of the Inclusionary Housing Ordinance is to allow increased density on any residential site, provided there is an increase in the affordability of the development.

As discussed in Section 10.4, the city maintains a voter-initiated Growth Management Plan that limits the amount of residential development in the city, and ensures availability of adequate public facilities and services to serve all new development. Residential development cannot exceed the GMCP density (unless there are "excess dwelling units" available). Where development occurs

below the GMCP density, the number of remaining units that otherwise would have been built on that site are “excess dwelling units” that are available to other residential developments to enable densities higher than the GMCP density. Residential projects must meet specific city criteria to be eligible for “excess units.” Such criteria include development of affordable housing (in addition to that required by the Inclusionary Housing Ordinance).

Market Demand

SANDAG’s 2050 Regional Growth Forecast anticipates a substantial shift in housing types in Carlsbad during the next 30 years as the city approaches buildout and the population ages. SANDAG forecasts that from 2011 through 2040, the percentage of single-family dwellings will decrease from 76 percent to 55 percent of new residential development. Higher density infill development and a reduction in the amount of new residential development in Carlsbad during the next 30 years will be factors in these shifts.

A market demand study prepared for the recent General Plan update confirmed this trend, finding that the projected population shifts by age group between 2008 and 2020 result in an increasing demand for multifamily housing over time, particularly from young professionals without children and empty nesters.

Financial Feasibility

During public outreach activities undertaken as part of this Housing Element update, developers of both market rate and affordable housing were consulted, as described in Section 10.1. Several developers remarked that 23-25 du/ac was typically the threshold for constructing a housing development in Carlsbad with surface parking. Above 25 du/ac, in order to meet parking requirements, developments would typically need to be designed with subterranean or podium parking, which may render the project infeasible without significant subsidy.

Recent Experience

Most of the city’s affordable housing developments have been developed at a density between 10 and 20 units per acre, as shown in Table 10-27, which lists the city’s recent affordable housing projects and their associated densities (notably, Tavarua Senior Apartments did exceed 20 units per acre, since 40 of the 50 units are one-bedroom units). These development projects reveal that affordable housing for lower income households can be achieved on land designated at a density less than 30 units per acre.

TABLE 10-27: RECENT AFFORDABLE HOUSING PROJECTS

PROJECT	NUMBER OF UNITS	STATUS	PROJECT DENSITY (DU/AC) ¹	AFFORDABILITY	AVERAGE SUBSIDY/UNIT (AB#) ²
The Bluffs Condos	10	Completed 2007	15	100% Lower Income	\$20,000 (AB 18,542)
Cassia Heights	56	Completed 2007	21	100% Lower Income	\$50,523 (AB 18,025)
Hunter's Pointe	168	Completed 2007	11	100% Lower Income	\$11,500 (AB 18,251)
Lumiere	2	Approved 2008	22.2	Low Income	Inclusionary
Seascape	2	Approved 2009	4.3	Low Income	Inclusionary
Roosevelt Gardens	11	Completed 2010	20	100% Lower Income	\$141,993 (AB 19,183)
Poinsettia Commons/ Bluewater	12	Completed 2010	18.6	100% Lower Income	Inclusionary
Robertson Ranch/ Glen Ridge	78	Completed 2010	16	100% Lower Income	\$13,000 (AB 397)
Vitalia Flats	14	Completed 2012	17.4	100% Moderate	n/a
Smerud Duplex	2	Completed 2012	14.3	100% Moderate	n/a
La Costa Condominiums	58	Completed 2013	11.5	16% Low/ 84% Moderate	Inclusionary
Tavarua Senior Apartments	50	Completed 2013	56	100% Lower Income	\$75,000 (AB 418)
La Costa Bluffs	24	Under construction	15.6	100% Moderate	n/a
State Street Mixed Use	1	Approved 2011	32.1	Low Income	Inclusionary
Dos Colinas	24	Approved 2012	n/a	Low Income	Inclusionary
Encinas Creek Apartments (fka Cantarini/ Holly Springs)	127	Approved 2013	20.5	50% Low/ 50% Moderate	Inclusionary

¹ "du/ac" is dwelling units/acre.

² AB# identifies the City Council agenda bill number from which the subsidy amount was obtained.

Assumed Densities

In summary, the density of 30 units per acre, which is specified by Government Code Section 65583.2 as appropriate for lower income housing, is higher than the densities at which affordable housing is typically built in Carlsbad and which is deemed to be feasible by potential developers. As a result, the sites inventory recognizes that densities as low as 12 units per acre are appropriate for moderate income housing and 20 units per acre for lower income housing.

Table 10-28 identifies the land use designations that generally correspond to various household income levels for the purposes of the sites inventory. The minimum and maximum densities permitted are displayed along with the GMCP density. The sites inventory assumes the minimum density permitted by the General Plan land use designation and is thus a conservative estimate of realistic capacity. For R-1.5 and R-4 designated sites, the GMCP densities are assumed in the inventory.

TABLE 10-28: LAND USE DESIGNATIONS AND AFFORDABILITY

GENERAL PLAN LAND USE DESIGNATION	IMPLEMENTING ZONING DISTRICT	DENSITY RANGE (MINIMUM AND MAXIMUM) (DU/AC)	GROWTH MANAGEMENT CONTROL POINT (DU/AC)	APPROPRIATE INCOME LEVELS ²
R-1.5 Residential	R-1, R-A, P-C ¹ , RMHP	0 - 1.5	1	Above Moderate
R-4 Residential	R-1, R-A, P-C ¹ , RMHP	0 - 4	3.2	
R-8 Residential	R-1, R-2, RD-M, P-C ¹ , RMHP	4 - 8	6	
R-15 Residential	R-3, RD-M, P-C ¹ , RMHP	8 - 15	11.5	
R-23 Residential	R-3, RD-M, R-W, P-C1, RMHP, R-P	15 - 23	19	Moderate
General Commercial (GC)	C-2	15 - 30	n/a ⁵	
Local Shopping Center (L)	C-L	15 - 30	n/a ⁵	
Regional Commercial (R)	C-2	15 - 30	n/a ⁵	
Village (V)	V-R	District 5-9: 18 - 23	n/a ⁵	
R-30 Residential	R-3, RD-M, P-C ¹ , RMHP, R-P	23 - 30	25	Extremely Low, Very-Low, Low
Village (V)	V-R	District 1-4: 28 - 35	n/a ⁵	

1 Subject to an approved master plan.

2 Applies to sites where no project is approved that provides affordable housing; approved affordable housing projects may be located within any residential designation, since the affordable housing provided by the project is typically achieved through the city's Inclusionary Housing requirements.

3 Sites designated R-15 are assumed available for moderate income housing if the property is subject to a master plan that establishes a minimum density of 12 or more units per acre.

4 Sites designated R-23 are assumed available for low income housing if the property is subject to a master plan that establishes a minimum density of 20 or more units per acre.

5 Requires an allocation of "excess dwelling units"; 828 "excess dwelling units" are currently reserved for the Village and are included in the estimated General Plan residential capacity.

The General Plan's R-30 and Village designations accommodate lower incomes. The R-30 designation requires a minimum of 23 units per acre and permits up to 30 units per acre. When a density bonus is applied to the R-30 designation, the maximum density can potentially reach 40 units per acre (at a maximum density bonus of 35 percent under state density bonus law). Additionally, the city's ordinances allow for density increases that exceed state density bonus law, as illustrated by the Tavarua Senior Apartments shown in Table 10-27.

These designations may also be appropriate for extremely low income households, such as agricultural workers, seniors earning fixed incomes, homeless seeking transitional or supportive housing, and other one-bedroom housing types.

The R-23 designation is assumed to accommodate moderate income households. Its density range permits between 15 and 23 units per acre. Commercial designations are also appropriate for moderate incomes. Above moderate income housing may be appropriate in any density category, but is assumed for R-15 and lower density residential designations.

Residential Sites Inventory

The following residential sites inventory represents sites that have densities and conditions to accommodate the city's remaining RHNA. These sites are illustrated in Figure 10-1 and described in detail in Appendix B. The sites inventory is divided into two categories: Vacant Sites and Underutilized Sites (these sites exclude vacant or underutilized sites with an approved, but not yet built, development project listed in Table 10-24).

Vacant and Underutilized Sites for Lower and Moderate Income Housing

Vacant

Table 10-29 provides a summary of the vacant sites that can accommodate development of housing appropriate for lower and moderate income levels (the complete inventory of sites is provided in Appendix B). Allowed density is equivalent to the minimum density as stated in the General Plan and Table 10-28. In total, vacant sites can accommodate 1,264 housing units appropriate for very-low, 691 units for low income households, and 661 units appropriate for moderate income households.

Underutilized

In addition, there are opportunities to meet the RHNA through redevelopment of "underutilized" sites, which include sites with transitional uses such as agriculture or surface parking, residential uses developed at a density lower than the minimum density allowed, or where the value of the structure/improvement is less than the land value. The recent General Plan update identified land with

TABLE 10-29: HOUSING SITES INVENTORY SUMMARY

TYPE	HOUSEHOLD INCOME				TOTAL
	VERY LOW	LOW	MODERATE	ABOVE MODERATE	
Vacant	1,264	691	661	1,622	4,238
Underutilized	1,102	140	264	550	2,056
TOTAL	2,366	831	925	2,172	6,294

1 Sites in the Village are included in the “vacant” and “underutilized” categories.

Sources: City of Carlsbad, Dyett & Bhatia, 2013.

the greatest potential to accommodate future development. Many of the sites permit multi-family housing in residential and mixed-use locations (such as the Village and Barrio) that are close to transit and services.

Table 10-29 summarizes the capacity of underutilized housing sites. The underutilized inventory in Appendix B documents two categories of underutilized sites:

- The first category includes sites where the existing use is surface parking or agricultural land appropriate for transition to residential uses (Table B-2 in Appendix B). These sites result in 282 housing units appropriate for very-low income households and 12 units for moderate income households.
- The second category of underutilized sites include sites where there is a structure(s) on site, but the use is built below the allowed minimum density, or the value of the structure/improvement is less than the land value (Table B-3 in Appendix B). These sites could accommodate an additional 960 units appropriate for lower income housing and 252 units for moderate income households.

Vacant and Underutilized Sites for Above Moderate Income Housing

As described in Table 10-28, sites appropriate for market rate housing are found in the following land use districts: R-1.5, R-4, R-8 and R-15. These land use designations typically permit single-family and medium density multi-family dwellings that are likely only affordable for households earning above moderate incomes. The sites inventory includes 512 acres of vacant land with these land use designations, which can accommodate an estimated 1,622 housing units. The inventory also includes 186 acres of underutilized land—primarily residential uses that are built at a lower density than the designation allows. These underutilized sites could accommodate an additional 550 units. These sites are identified in Appendix B (Table B-4).

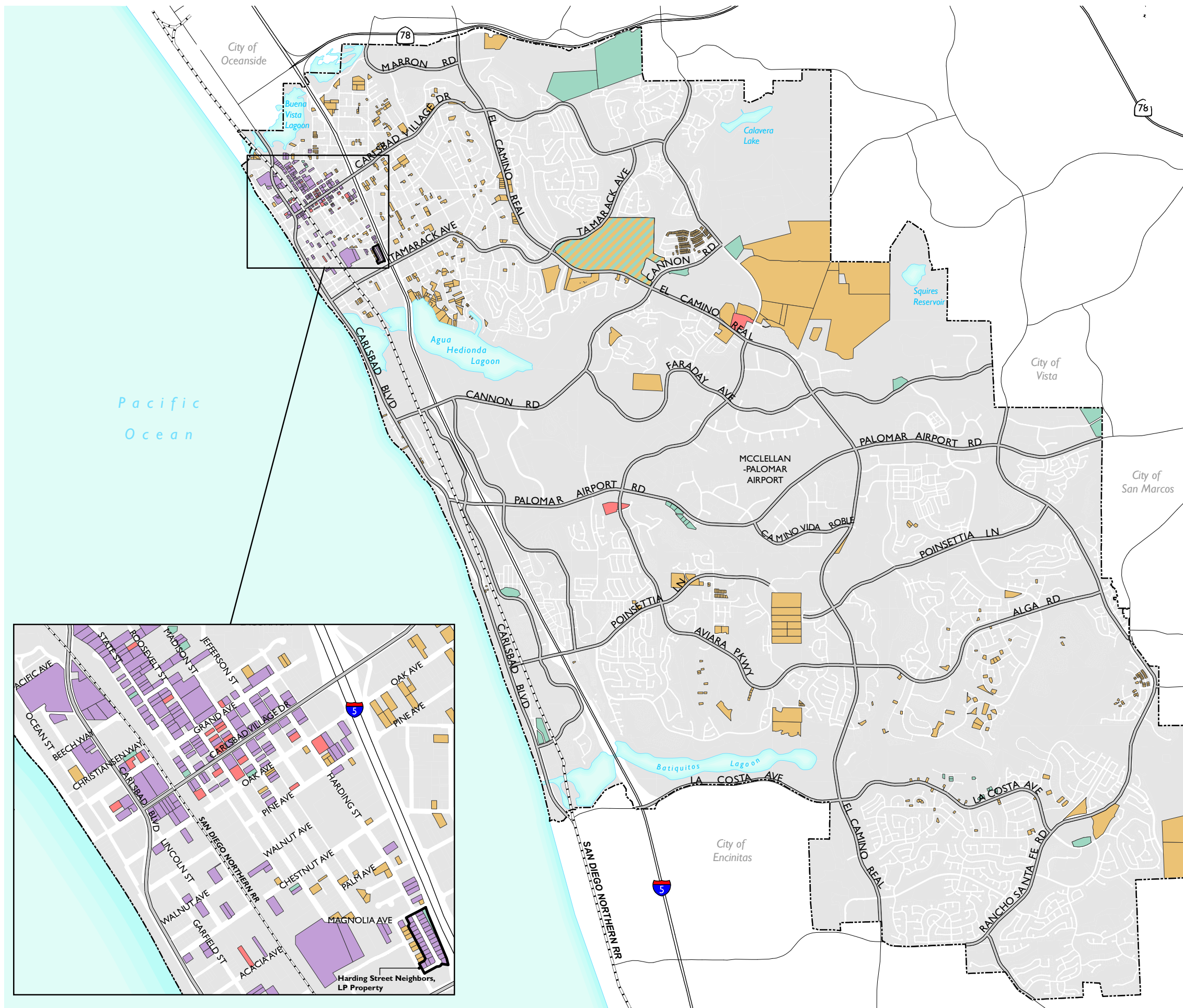
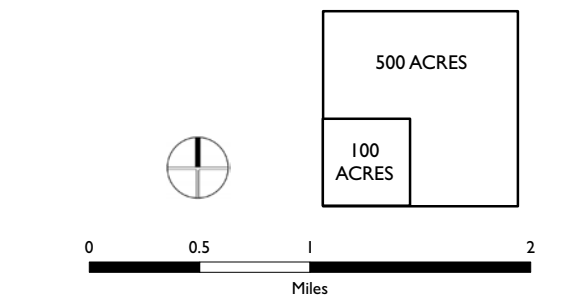


Figure 10-1: Housing Element Sites Inventory

- Vacant Sites for Lower and Moderate Income Housing
- Underutilized Sites for Lower and Moderate Income Housing – Category I (Parking Lot and Agricultural Sites)
- Underutilized Sites for Lower and Moderate Income Housing – Category 2 (Other Underutilized Sites)
- Vacant and Underutilized Sites for Above Moderate Income Households
- Harding Property
- Highways
- Major Street
- Railroad
- City Limits



Source: City of Carlsbad, 2013; Dyett & Bhatia, 2013.

Commercial Mixed Use

Commercial designated sites where residential uses are appropriate and supported by the General Plan vision, are also documented in Appendix B, Table B-5. These sites can accommodate 350 moderate income households. However, the General Plan does not designate residential capacity to these sites (excess dwelling units are required) and they are not necessary to meet the RHNA; therefore, these sites are only included in Appendix B as additional possible residential sites.

Infrastructure Constraints

Services will be constructed in tandem with residential development as required by the city's Local Facilities Management Plans, to ensure adequate provision of infrastructure facilities. As of April 2013, all required Local Facilities Management Plans have been prepared and approved. The adequacy of facilities is monitored annually as part of the city's Growth Management Plan. The city's Growth Management Monitoring Report (FY 2012-13) concluded that all monitored facilities are adequate to serve existing development, and that with planned improvements, will be adequate to serve new development through build-out.

Adequacy of Sites Inventory in Meeting RHNA

As the sites inventory demonstrates, the city has the capacity to accommodate the RHNA. This inventory accommodates potential development of 2,412 very low, 954 low, 1,092 moderate, and 3,107 above moderate income units. Combined, the city has land resources and programs to accommodate the RHNA at all income levels.

TABLE 10-30: ADEQUACY OF SITES IN MEETING RHNA, BY HOUSEHOLD INCOME

SITE TYPE	VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTAL
Development Projects ¹	46	123	167	935	1,271
Vacant ²	1,264	691	661	1,622	4,238
Underutilized ²	1,102	140	264	550	2,056
TOTAL	2,412	954	1,092	3,107	7,565
RHNA	912	693	1,062	2,332	4,999
Surplus/Deficit	1,500	261	30	775	2,566

¹ Per Table 10-24

² Per Table 10-29

Sources: Dyett & Bhatia, City of Carlsbad, 2013..

Financial Resources

Providing for an adequate level of housing opportunities for Carlsbad residents requires creative layering of funding. Often one single source of funding is inadequate to address the extensive needs and depth of subsidies required. The city must program the uses of limited funding effectively to maximize the number of households that can be assisted.

For the last several decades, the city's Redevelopment Housing Set-Aside Fund was one of the city's major sources of funding for affordable housing. However, following state legislation eliminating all redevelopment agencies in California, the Carlsbad Redevelopment Agency was dissolved effective February 1, 2012 and along with it this source of affordable housing funding.

The city's Affordable Housing Trust Fund remains the primary source of housing funding, though the city is exploring a housing impact fee as described in Section 10.6 (Program 3.7). In addition, the city reserves a portion of the U.S. Community Development Block Grant (CDBG) and HOME Program funds for affordable housing development. Other supplemental sources include Section 108 loan guarantee and Section 8 rental assistance. Another funding source, the city's Agricultural Conversion Mitigation Fee program, has been used to build farmworker housing.

The city's policy is to leverage, to the maximum extent feasible, the use of funds available in the development of affordable housing. The city supports the use of CDBG and HOME funds for predevelopment activities and "gap financing" of developments by private and nonprofit entities.

Affordable Housing Trust Fund

With the implementation of the city's Inclusionary Housing Ordinance, the city established a Housing Trust Fund to collect fees generated from the Inclusionary Housing In-Lieu Fee and the sale of affordable housing credits to satisfy a developer's inclusionary housing obligation. All fees collected are used exclusively to facilitate the construction, preservation, and maintenance of affordable housing pursuant to the City's Inclusionary Housing Ordinance. As of December 31, 2012, the Housing Trust Fund had an unencumbered balance of \$6.1 million.

The Inclusionary Housing In-Lieu Fee is the single largest contributor to the Housing Trust Fund. The city's Inclusionary Housing Ordinance requires 15 percent of new residential development to be reserved as affordable to lower income households. Developers of small projects with no more than six units have the option to pay a fee in lieu of providing on-site affordable units. At the discretion of the city, other options to providing units on-site, such as dedicating land, may also be possible.

Housing Reserve Fund (CDBG/HOME)

The CDBG Program is administered by HUD. Through this program, the federal government provides funding to jurisdictions to undertake community development and housing activities. The primary CDBG objective is the development of viable urban communities, including decent housing and a suitable living environment, and expanding economic opportunity, principally for persons of low-and moderate-income. The City of Carlsbad receives an allocation of approximately \$500,000 in CDBG funds annually.

The HOME Program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for households with incomes not exceeding 80 percent of area median income. The city participates in the San Diego County HOME Consortium and receives an allocation of approximately \$280,000 in HOME funds annually.

The city has established a Housing Reserve Fund with allocations from its CDBG and HOME Programs to accumulate funds for creating additional affordable housing opportunities in Carlsbad. Funds are used to help identify appropriate properties for possible acquisition and/or development of affordable units. Once an appropriate property is identified, Housing Reserve Funds may be reallocated for acquisition and/or development of a specific property.

CDBG Section 108 Loans

In the 1990s, the city received approximately \$1.2 million in a CDBG Section 108 loan to assist in the land acquisition for a 21-acre site for the construction of the Villa Loma Apartments. The city anticipates pursuing additional Section 108 loan guarantees to expand affordable housing opportunities in Carlsbad, as appropriate.

Section 8 Tenant-Based Rental Assistance Program

The Housing Choice Voucher Program (Section 8) is funded by HUD and administered by the City of Carlsbad Housing Authority. The city spends approximately \$6.3 million annually on the Section 8 Rental Assistance Program, serving an average of 600 families per month. An additional 549 families are on the waiting list, which has been closed since October 1, 2005.

Agricultural Conversion Mitigation Fee Program

As certain, often historic, coastal agricultural lands develop, a mitigation fee of \$10,000 per acre is paid to the city. In 2005, Carlsbad established an ad hoc citizen's committee to advise the City Council on how the collected fees should be spent, which by that time had reached over \$6 million. Subsequently, the committee solicited and evaluated funding proposals from organizations according to specific criteria. These criteria focus on restoration, preservation and enhancement of Carlsbad's natural and agricultural environment. To this end, an eligible funding category is the development of farmworker housing.

In 2008, the city awarded a \$2 million grant from the collected fees to Catholic Charities to rebuild and expand the current La Posada de Guadalupe homeless shelter to provide farmworker housing. This facility will feature 50-70 beds specifically for farmworkers, which are in addition to the 50-beds that currently serve farmworkers and homeless men.

Currently, the Agricultural Conversion Mitigation Fee Program has an approximate balance of \$490,000. It is expected this fee could grow by another \$1 million to \$1.5 million as designated properties continue to develop.

Administrative Capacity

The institutional structure and administrative capacity established to implement programs contained in the Housing Element include the City of Carlsbad, other public entities, and private developers, both for-profit and non-profit. The city works closely with private developers to construct, rehabilitate, and preserve affordable housing in the city.

City of Carlsbad

The City of Carlsbad's Housing and Neighborhood Services Division, Planning Division, and Building Division will be the lead divisions in implementing a variety of programs and activities outlined in this Housing Element.

Housing and Neighborhood Services Division

The Housing and Neighborhood Services Division has the following responsibilities related to the Housing Element:

- Administering the CDBG program – a substantial amount of CDBG funds during the Housing Element period will be allocated to projects that address the affordable housing needs of lower and moderate income households.
- Administering rental and financial assistance – the division offers programs for rental and down payment assistance as well as minor home repair grants.
- Administering the Section 8 Housing Choice Voucher program – providing approximately 600 Section 8 vouchers to eligible households.
- Providing neighborhood outreach and code enforcement services.
- Implementing Housing Element programs – the division will work with developers to create affordable housing opportunities for low income households.

Planning Division

Principal responsibilities of the Planning Division include:

- Preparing ordinances and policies to facilitate and encourage housing development for all income groups in Carlsbad.
- Assisting in the development of affordable housing.
- Tracking the number and affordability of new housing units built.
- Reviewing and guiding applications for development of housing through the entitlement process.

Building Division

The principal responsibility of the Building Division is monitoring and reporting on existing housing units that are substandard.

Housing Developers*Non-Profit Organizations*

The city works with a number of for- and non-profit developers to create affordable housing using the Housing Trust Fund and other housing funds. The following affordable housing developers have expressed interest in developing and/or preserving affordable housing in San Diego County:

- Affirmed Housing
- Affordable Housing People
- Bridge Housing Corporation
- C&C Development
- Chelsea Investment Corporation
- Chicano Federation of San Diego County
- Community Housing Group
- Community Housing of North County
- Community Housing Works
- Habitat for Humanity
- Housing Development Partners of San Diego
- Irvine Housing Opportunities
- Jamboree Housing
- MAAC Project
- Meta Housing
- Wakeland Housing

For-Profit Developers

Private, for-profit developers will assist in the effort of creating affordable housing in Carlsbad through the city's Inclusionary Housing Ordinance. Per the ordinance, at least 15 percent of all housing units approved for any master plan community, specific plan, or qualified subdivision must be affordable to lower income households.

Opportunities for Energy Conservation

Energy costs directly affect housing affordability through their impact on the construction, operation, and maintenance of housing. There are many ways in which the planning, design, and construction of residential neighborhoods and homes can reduce energy costs while at the same time produce an environmental benefit. Techniques for reducing energy costs include construction standards for energy efficiency, site planning, land use patterns, and the use of natural landscape features to reduce energy needs. Sustainable development also encompasses the preservation of habitat and species, improvement of air, and conservation of natural resources, including water and open space.

Residential Building Standards

The city uses the California Building Code and the new Green Building Standards Code (CALGREEN) to review proposed development and renovations. The purpose of the code is to improve public health, safety and general welfare by enhancing the design and construction of buildings in the following categories: 1) planning and design, 2) energy efficiency, 3) water efficiency and conservation, 4) material conservation and resource efficiency, and 5) environmental air quality. In addition to CALGREEN standards, the city implements the following energy conservation programs related to building design, construction and improvement:

Solar and Other Energy Related Improvements

The city requires all new residential units to include plumbing specifically designed to allow the later installation of a system that utilizes solar energy as the primary means of heating domestic potable water.

The city joined the CaliforniaFIRST program to allow residents and business owners to obtain low-interest financing for energy related improvements and repay the loans through an assessment on their property tax bills. The program is voluntary, and the owners of residential, commercial, and industrial properties in Carlsbad are eligible. Along with solar electric and water-heating systems, energy efficient improvements such as dual-paned windows, tank-less water heaters, and insulation are also eligible for funding under the program. To-date, the program is actually on hold because of problems with the Property Assessed Clean Energy (PACE) federal financing component, but it is included here for the sake of a thorough description of city efforts.

Green Building

Leadership in Energy and Environmental Design (LEED) is an internationally-recognized rating system for certifying the design, construction, and operation of high performance buildings. City policy calls for new city facilities to strive for LEED “Silver” certification or its equivalent and to generate a minimum of 10 percent of its energy demand onsite, whenever practicable and within a reasonable cost/benefit ratio. In addition, at the private level, several recent development projects have elected to obtain certification for green buildings. According to the LEED Certified Project Directory, there are eight LEED-certified projects in Carlsbad.

Water Recycling, Conservation, and Desalination

Under the recycled water retrofit project, the city installs recycled water lines to serve existing development in areas of the city where recycled water is available. The Carlsbad Municipal Water District does not provide recycled water to residential customers; however, it does provide it to the common landscaped areas of residential developments. Each year, the district distributes nearly 1.35 billion gallons of recycled water to local irrigation customers. Recycled water costs customers 15 percent less than potable irrigation water.

To assist homeowners in reducing costs, the city participates in regional water conservation programs that allow Carlsbad Municipal Water District customers to receive rebates for purchasing water efficient clothes washing machines and toilets, free on-site water use surveys, and vouchers for weather-based irrigation controllers. The district is a signatory to the California Urban Water Conservation Council Memorandum of Understanding, which seeks to implement 14 best management practices that have received a consensus among water agencies and conservation advocates as the best and most realistic methods to produce significant water savings from conservation.

In addition, in 2010, the city adopted a water-efficient landscape ordinance to promote water conservation through design, installation and maintenance of more efficient landscape and irrigation systems.

A nearly \$1 billion, 50-million gallon a day seawater desalination plant is currently under construction in Carlsbad, which is intended to supply the San Diego region with approximately 10 percent of its drinking water needs, and Carlsbad with about 12.5 percent of its drinking water needs. The project will be the first large scale desalination plant in the United States and the largest of its kind in the Western Hemisphere.

General Plan Goals and Policies

Other elements in the General Plan discuss policy measures to reduce energy consumption through land use, transportation, and conservation efforts.

- The General Plan seeks development of pedestrian-oriented shopping centers that are located to maximize accessibility from residential neighborhoods. Where appropriate, these centers would also include high and medium density housing surrounding the retail uses or integrated in mixed-use buildings.
- The General Plan seeks to reduce reliance on driving by promoting safe walking and biking access. The plan outlines improvements to pedestrian and bicycle systems. Opportunities for a safe pedestrian crossing across the railroad and Chestnut Avenue will be explored. Pedestrian priority zones around key centers and other places—such as schools—are outlined, to foster pedestrian comfort and safety.
- The General Plan supports continuation of the open space and park planning efforts by the city. Any future development located in areas adjacent to sensitive biological resources, such as lagoons and hillsides, must comply with the city's Habitat Management Plan and open space regulations to ensure that habitats are preserved and open space is provided.

10.4 Constraints and Mitigating Opportunities

A variety of factors can encourage or constrain the development, maintenance, and improvement of housing in Carlsbad, particularly for low and moderate income households. The city's coastal location and mesa/canyon topography imposes physical and regulatory constraints, and results in high land costs that present challenging market constraints.

This section provides an analysis of various potential and actual constraints to housing development and preservation in Carlsbad. When an actual constraint is identified, the Housing Element must consider actions and opportunities that can mitigate the constraint. While certain factors, such as construction/labor costs, may increase the costs of housing, their impacts are similar throughout the region and therefore do not impose disadvantages on the city. These factors are considered potential, but not actual constraints.

Market Constraints

Land costs, construction costs, and market financing contribute to the cost of housing investments and can potentially hinder the production of new affordable housing.

Land Cost

In most cities, land costs vary with site location, availability of infrastructure, and offsite conditions. In Carlsbad, location is the single greatest factor determining land prices. Carlsbad is a highly desirable place to live and many properties have coastal views. Proximity to freeway access, public facilities, and community image also contribute to the high land costs in the city.

As of October 2012, there were only a small number of for-sale listings for land zoned for residential. According to Loopnet, a 1.2 acre property (zoned RD-M which allows multi-family) was listed for \$2.75 million, including approvals of

TABLE 10–31: VACANT LAND PRICES OCTOBER 2012

TYPE	LOT SIZE (ACRES)	ADVERTISED PRICE
Single-Family	0.17	\$339,000
	0.23	\$299,900
	0.29	\$395,000
	0.35	\$332,988
	0.47	\$700,000
	1.10	\$799,000
Average Price (Weighted)	0.44	\$599,848
Average per Acre	1.00	\$1,304,537

Source: Loopnet, October 2012.

a conceptual plan for 26 condo units. As shown in Table 10-31, available land zoned for single-family homes averaged \$1.3 million per acre. The lack of availability and the cost of vacant residential land in Carlsbad is a substantial market constraint to the production of new affordable housing.

Mitigation Opportunities

The city offers several opportunities to mitigate the impact of land costs on affordable housing development. Specifically:

- **Adequate Sites Inventory:** The city ensures, through land use planning actions, that an adequate supply of residential sites is available to meet the city's projected housing needs. This discussion is contained in Section 10.3, Resources Available.
- **Density Bonus/Increase:** The city offers density bonuses for qualified projects, pursuant to state law, to increase the yield (number of units) that can be achieved above the maximum of the density range on a property. Also, through the city's ordinances, the city offers density increases to assist in providing affordable housing. Density bonuses and increases reduce the per-unit land cost.
- **Land Banking/Surplus Land:** The city may acquire land and reserve it for future residential development. In addition to privately-held properties, surplus land owned by the city and other public agencies offers additional opportunities for affordable housing. The acquired land can be resold with entitlement to a nonprofit developer at a reduced price to provide housing affordable to lower-income households. The city may also accept land as an in-lieu contribution by a developer to fulfill the inclusionary housing requirement.

Construction and Labor Costs

The International Code Council (ICC) provides estimates on labor and material costs by type of construction. According to 2012 ICC estimates, the average per-square-foot cost for "good" quality housing is approximately \$101 per square foot for multi-family housing and \$113 for single-family homes in the United States. Estimates are based on "good" quality Type VA, wood-frame construction, providing materials and fixtures well above the minimum required by state and local building codes. For San Diego County, RSMeans estimates for 2008 are slightly higher—at \$125-\$148 for a one-to-three story apartment, assuming union labor.

Historically, labor costs are relatively stable and fixed in comparison to land and improvement costs. However, in January 2002, Senate Bill 975 expanded the definition of public works and the application of the state's prevailing wage requirements to such projects. It also expanded the definition of what constitutes public funds and captured significantly more projects beyond just public

works (such as housing) that involve public/private partnerships. Except for self-help projects, per SB 972, payment of prevailing wages are required for most private projects constructed under an agreement with a public agency providing assistance to the project. As a result, the prevailing wage requirement substantially increases the cost of affordable housing construction (though it also increases the income of the worker who may seek housing in Carlsbad or elsewhere in the region).

Mitigating Opportunities

Both construction and labor costs are similar throughout the region. While these costs add to the overall cost of housing, they do not pose an actual constraint to housing development in Carlsbad. Nevertheless, the city offers a number of incentives and assistance to help reduce the cost of construction for affordable housing. These include: density bonuses/incentives, and direct financing assistance using the Housing Reserve Fund and the Housing Trust Fund.

Home Financing

Although interest rates have reached historically low levels over the past few years, access to credit has tightened in the wake of the financial crisis of 2007-08 and finance reform. The new lending environment can have a substantial impact on prospective purchasers. An additional obstacle for homebuyers continues to be the down payment required by lending institutions. These factors often affect demand for ownership housing, driving up or depressing housing prices.

Under the Home Mortgage Disclosure Act (HMDA), lending institutions must disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases and improvements, whether financed at market rate or through government-backed programs. The primary concern in a review of lending activity is to see whether home financing is generally available to all income groups in the community.

Subsidies

Given the market conditions in southern California, particularly in the San Diego region, housing affordable to lower-income households cannot be accommodated by the market without some form of financial subsidy (affordable housing projects shown in Table 10-27 were achieved with financial subsidies from the city.) Average per-unit subsidy of subsidized units was about \$69,771. This level of subsidy is modest and less than that for most affordable housing projects in the north San Diego County area at densities around 20 units per acre.

As discussed with developers during a developer forum held as part of the General Plan and Housing Element update process, development above 23-25

units per acre would typically necessitate subterranean parking, which substantially increases the average subsidy required to make the units affordable to lower-income households. The cost savings from economies of scale for housing production do not usually break even until the density is substantially increased to beyond 30 units per acre. To expand the capacity for additional development, at appropriate locations, the city permits development in the Village at up to 35 units per acre and within the R-30 land use designation density bonuses/increases can be granted to allow densities above 30 units per acre.

Conventional Lending

Overall, 4,473 households applied for mortgage loans for homes in Carlsbad in 2011, over two-thirds of which were refinancing applications. Of the applications for conventional mortgage loans, approximately 75 percent were approved (Table 10-32). The denial rate was 12 percent, while 13 percent of the applications were withdrawn or closed for incompleteness.

Among the 90 applications for home improvement loans in 2011, 69 percent were approved, 14 percent were denied, and 17 percent were withdrawn or closed for incompleteness. Approval rates were slightly higher, at 85 percent, for the San Diego-Carlsbad-San Marcos MSA as a whole.

Government-Backed Lending

In addition to conventional mortgages, HMDA tracks loans for government-backed financing (e.g. FHA, VA, or FSA/RHS).⁴ To be eligible for these loans, households must meet established income standards and homes must be under a maximum sales price. However, home prices in Carlsbad often exceed the maximum home values established by these government-backed programs, which makes it difficult for households to take advantage of these types of loans.

In 2011, 144 households applied for government-backed home mortgage loans for properties in Carlsbad (Table 10-32). Of these applications, 72 percent were approved, 13 percent were denied, and 15 percent were withdrawn or closed for incompleteness. Application and approval rates have improved substantially since the last Housing Element review in 2003 when only one application for a government-backed home improvement loan was processed and the loan was approved. In 2011, 103 government-backed loans were approved. Approval rates were slightly higher, at 86 percent, for the San Diego-Carlsbad-San Marcos MSA as a whole.

⁴ Government-backed financing includes those backed by the Department of Veteran Affairs (VA), Federal Housing Administration (FHA), and Farm Service Agency/Rural Housing Services (FSA/RHS). Down payment assistance, silent second, and other mortgage assistance programs offered by local jurisdictions are not tracked by HMDA.

TABLE 10–32: DISPOSITION OF HOME PURCHASE AND HOME IMPROVEMENT LOAN APPLICATIONS IN CENSUS TRACTS PARTIALLY OR WHOLLY WITHIN CARLSBAD 2011

HOUSING UNIT TYPE	GOVERNMENT BACKED		CONVENTIONAL		HOME IMPROVEMENT	
	#	%	#	%	#	%
Approved ¹	103	72%	451	75%	62	69%
Denied	19	13%	72	12%	13	14%
Other ²	22	15%	78	13%	15	17%
TOTAL APPLICATIONS	144		601		90	

¹ "Approved" includes loans originated or approved, but not accepted.

² "Other" includes files closed for incompleteness, and applications withdrawn.

Source: Home Mortgage Disclosure Act (HMDA), 2011.

Mitigating Opportunities

To address potential private market lending constraints and expand home-ownership and home improvement opportunities, the city offers and/or participates in a variety of home buyer, down payment assistance, and rehabilitation assistance programs. These programs assist extremely-low, very-low, low, and moderate-income residents by increasing access to favorable loan terms to purchase or improve their homes.

Government Constraints

Local policies and regulations can affect the price and availability of housing. Land use controls, the Growth Management Plan, development standards, site improvements, fees and exactions, permit processing procedures, and other issues may present potential and actual constraints to the maintenance, development, and improvement of housing.

Land Use Controls

The Land Use and Community Design Element of the General Plan sets forth policies for guiding local development. The distribution of land use designations within the city are based on several geographical and locational constraints. These constraints include: McClellan/Palomar Airport, San Diego Gas & Electric power plant, Encina wastewater treatment plant, regional commercial areas along Interstate 5 and Highway 78, open space reserves, habitat, beaches and lagoons, as well as the city's overall mesa/canyon topography. The airport, power plant and wastewater treatment plant could preclude residential development in close proximity due to potential public health and safety concerns. The natural constraints such as hilly topography, beaches and lagoons also limit the extent and density of residential uses due to environmental factors.

Carlsbad's Land Use and Community Design Element establishes six residential designations (excluding the Village) ranging in density from 1.0 dwelling unit per acre to 30.0 dwelling units per acre (10-33). The R-30 land use designation was added to the General Plan in February 2013 and allows up to 30 dwelling units per acre.

In the Village, a separate land use designation applies (V – Village). This designation permits both residential and non-residential uses. Depending on the district within the Village, the minimum density is 18 units per acre (districts 5-9) or 28 units per acre (districts 1-4) and the maximum density permitted is 23 or 35 units per acre, respectively.

To further ensure that development adheres to the densities specified, the Land Use and Community Design Element requires development at or above the minimum density specified in Table 10-33.

As discussed below, the Growth Management Control Point (GMCP) density ensures adherence to the residential dwelling unit limits established by Carlsbad's Growth Management Plan. Certain findings regarding the provision of adequate facilities and the densities of neighboring developments must be made to allow residential development to exceed the GMCP density.

TABLE 10-33: LAND USE DESIGNATIONS AND IMPLEMENTING ZONES

LAND USE DESIGNATION	ALLOWED DENSITY (DU/AC)	GMCP (DU/AC)	IMPLEMENTING ZONE
R 1.5 – Residential	0.0 – 1.5	1.0	R-1, R-A, PC ¹ , RMHP
R 4 – Residential	0.0 – 4.0	3.2	R-1, R-A, PC ¹ , RMHP
R 8 – Residential	4.01 – 8.00	6.0	R-1, R-2, RD-M, PC ¹ , RMHP
R 15 – Residential	8.01 – 15.00	12.0	R-3, RD-M, PC ¹ , RMHP, R-P
R 23 – Residential	15.0 – 23.00	20.0	R,3, RD-M, PC ¹ , RMHP, R-P, R-W
R 30 – Residential	23.01 – 30.00	25.0	R,3, RD-M, PC ¹ , RMHP, R-P
V – Village	Dist. 1-4: 28-35 Dist. 5-9: 18-23 max	n/a ²	V-R

1 Subject to an approved master plan.

2 Requires an allocation of "excess dwelling units"; 828 "excess dwelling units" are currently reserved for the Village.

Source: Carlsbad Draft General Plan update, November 2012.

Growth Management Plan

In the mid-1980s, Carlsbad experienced a construction boom. Annual growth rates exceeded ten percent and developers completed the most homes in the city's history prior to that time – 2,612 – in 1986. Further, Carlsbad's General Plan, in effect at that time, established a residential capacity exceeding 100,000 units, which potentially meant over 80,000 more homes could be built. With the above in mind, residents expressed concern over the loss of small town identity, disappearance of open space, and potential for growth to outstrip public facilities and services.

Aware that development was creating public facility impacts on the community, the city began working on its Growth Management Plan. Among the first actions taken was reduction of the General Plan's residential capacity by approximately one-half in 1985. Subsequent actions included the adoption of a series of interim ordinances to restrict development while the formal Growth Management Plan was finalized. In 1986, Carlsbad adopted a citywide Facilities and Improvements Plan that established much of the foundational aspects of the program. That year, the program was permanently enacted by ordinance.

The Growth Management Plan ensures that adequate public facilities and services are guaranteed at all times as growth occurs. This program establishes performance standards for eleven public facilities. The eleven public facilities addressed are city administration, library, waste-water treatment, parks, drainage, circulation, fire, open space, schools, sewer collection, and water distribution. The program requires that the appropriate public facilities must be available in conformance with the adopted performance standards in an area when new development occurs. Unless each of these eleven public facility standards has been complied with, no new development can occur.

Compliance with the Growth Management Plan is planned for and provided through a three-tiered or phased planning process:

- *Citywide Facilities and Improvements Plan*, which adopted eleven public facility performance standards, defined the boundaries of 25 local facility management zones, and detailed existing public facilities and projected the ultimate public facility needs.
- *Local Facilities Management Plans* are prepared in each of the 25 zones and implement the provisions of the Growth Management Plan. These plans phase all development and public facilities needs in accordance with the adopted performance standards, provide a detailed financing mechanism to ensure public facilities can be provided, are reviewed by city staff for accuracy, and are approved by the City Council after a public hearing.
- *Individual Projects* must comply with the provisions of the Local Facilities Management Plans, as well as implement provisions of the citywide plan. The third phase of the program includes the review of individual projects to ensure compliance with all performance standards prior to the approval of any development permits.

The 1986 Citywide Facilities and Improvements Plan estimated the number of dwelling units that could be built as a result of the application of the General Plan density ranges to individual projects. For the entire city at buildout, the estimate was 54,599 dwelling units (21,121 existing units plus 33,478 future units), which resulted in an estimated buildout population of 135,000. The plan further divided the estimated future dwelling units among four city quadrants (the axis of the quadrants is El Camino Real and Palomar Airport Road), as follows:

Northwest Quadrant–5,844 units; Northeast Quadrant–6,166 units; Southwest Quadrant–10,667 units; Southwest Quadrant–10,801 units.

The purpose of this estimate was to provide an approximate ultimate number of future dwelling units and population citywide and for each quadrant for facility planning purposes. The city’s Capital Improvement Plan, Growth Management Plan, and public facilities plans are all based on this estimate. To ensure that all necessary public facilities will be available concurrent with the need to serve new development, it was necessary to set a limit on the number of future residential dwelling units which can be constructed in the city based on the estimate.

On November 4, 1986, Carlsbad voters passed Proposition E, which ratified the Growth Management Plan and “locked in” the maximum future dwelling units in each of the four city quadrants per the estimates specified in the Citywide Facilities and Improvements Plan. Proposition E also mandated that the city not approve any General Plan amendment, zone change, tentative subdivision map or other discretionary approval that could result in future residential development above the dwelling unit limit in any quadrant. This mandate will remain in effect unless changed by a majority vote of the Carlsbad electorate.

Local Facilities Management Plan

To facilitate effective implementation of the Growth Management Plan, the city is split into 25 different facility zones, each of which requires the preparation of a Local Facilities Management Plan (LFMP) prior to approving development in the affected zone. The LFMP seeks to ensure that development does not occur unless adequate public facilities and services exist or will be provided concurrent with new development. These plans are not seen as a constraint to development, but rather as a vehicle to provide information upfront about the capacity and availability of infrastructure. LFMPs have been adopted for all 25 facility zones.

Growth Management Control Point Density

Before Proposition E was drafted in 1986, one major concern was how best to link development to the provision of public facilities and also assure that once the facilities were installed subsequent development would not exceed their capacities. When Proposition E was drafted, it created for each residential general plan designation a “Growth Management Control Point” (GMCP) density (dwelling units per acre) at approximately the mid-point of the associated density range (Table 10-33).

The purpose of the GMCP density is to ensure residential development does not exceed the dwelling unit caps established for each quadrant. A development may not exceed the GMCP density unless the following three findings can be made:

- The project will provide sufficient public facilities for the density in excess of the GMCP to ensure that the adequacy for the city's public facilities plans will not be adversely impacted;
- There have been sufficient developments approved in the quadrant at densities below the GMCP to cover the units in the project above the control point so that approval will not result in exceeding the quadrant dwelling unit limit; and
- All necessary public facilities required by the Growth Management Plan will be constructed or are guaranteed to be constructed concurrently with the need for them created by the development and in compliance with adopted city standards.

The Growth Management Plan does not prohibit densities that exceed the maximum of the R-30 designation; instead the program requires the findings above to be made.

Excess Dwelling Units

To ensure dwelling unit caps in each of the quadrants are not exceeded, Carlsbad developed a tracking system to account for projects approved both below and above the GMCP. Projects that have developed below the GMCP, for example, generate "excess dwelling units." Likewise, proposals approved at a density above the GMCP can use these excess units as long as the use of excess units does not cause the quadrant dwelling unit limit to be exceeded. City Council Policy Statement No. 43 specifies that residential projects must provide the minimum amount of affordable housing required by the city's Inclusionary Housing Ordinance to be eligible for an allocation of excess dwelling units. An allocation of excess dwelling units is considered an incentive and, therefore, the council's policy is applicable to both ownership and rental housing projects. Limiting the use of excess dwelling units to projects that provide affordable housing supports the city's ability to achieve the programs of this Housing Element.

The following projects approved over the past five years provide a good representation of the developments that have contributed and utilized excess dwelling:

- **Ocean Street Residences (2008).** A 35 unit condominium project including seven affordable units; approved below the GMCP of 11.5 du/ac; created 15 excess dwelling units.
- **Seascape (2008).** Twelve lot single family residential subdivision that included two affordable housing units; approved above the GMCP of 3.2 du/ac; utilized five excess dwelling units.
- **Tabata Ranch (2009).** General Plan amendment changed the land use designation from RM (4-8 du/ac) to RLM (0-4 du/ac); created 12 excess dwelling units.

- **Tavarua Senior Apartments (2011).** A 50 unit affordable senior housing project; approved at 55.5 du/ac, above the GMCP of 6 du/ac; utilized 44 excess dwelling units.
- **Dos Colinas (2012).** A 305 unit continuing care community including 24 affordable housing units; created 111 excess dwelling units.
- **Rancho Milagro (2012).** A 19 unit single family subdivision; required to construct three affordable dwelling units or purchase credits for three units in an affordable housing project; approved below the GMCP of 3.2 du/ac; created 34 excess dwelling units.
- **Vista La Costa Apartments (2012).** A 19 unit apartment project approved at 21.6 du/ac, above the GMCP of 19 du/ac; required to purchase credits for three units in an affordable housing project; utilized excess dwelling units.
- **Housing Element Program 2.1 Barrio (2013).** General Plan amendment and zone change to increase allowed densities throughout the Barrio area; included the creation of the R-30 (23-30 du/ac) land use designation; implemented Program 2.1 of the 2005-2010 Housing Element; utilized 574 excess dwelling units.
- **Quarry Creek Master Plan.** General Plan amendment, zone change and master plan to allow for the development of 327 dwelling units at a density of 21.3 and 21.5 du/ac, 95 units at 16.7 du/ac, and 214 units at 13.7 du/ac; implemented Program 2.1 of the 2005-2010 Housing Element; utilized 343 excess dwelling units.

As the above list demonstrates, excess dwelling units are created (when development is approved below the GMCP) and utilized (when development is approved above the GMCP); the list also demonstrates that affordable housing can be achieved even when a project is approved at a density below the GMCP, due to the city's Inclusionary Housing Ordinance. Prior to 2004, development below the GMCP was primarily due to housing market conditions, including the desirability of building low density projects. Other reasons for developing below the GMCP include environmental constraints, such as topography and sensitive habitat. However, approving densities below the GMCP is now more difficult due to Government Code Section 65863, which incorporates state legislation (SB 2292) passed in 2004. More details about this law may be found in the section below on mitigating opportunities.

Mitigating Opportunities

The capacity (number of units) for each site appropriate for lower and moderate income housing identified in the sites inventory in Section 10.3 assumes development will take place at the minimum density of the density range. Therefore, none of the sites require the use of excess dwelling units to accommodate the RHNA. As a result, the Growth Management Plan and GMCP density do not serve as constraints to development.

As shown in Table 10-34, the capacity of the General Plan, including the sites inventory for this Housing Element, does not exceed the dwelling unit limits established by the Growth Management Plan and Proposition E. General Plan capacity in Table 10-34 is based on the GMCP density for all sites, including those that can accommodate the RHNA; as mentioned above, the capacity used for the sites inventory for this Housing Element is based on minimum density, which further demonstrates that the sites can accommodate the RHNA and not be constrained by the dwelling unit limits in each quadrant.

TABLE 10-34: ANALYSIS OF IDENTIFIED SITES COMPARED TO QUADRANT DWELLING UNIT LIMITS

QUADRANT	EXISTING UNITS	GENERAL PLAN CAPACITY ¹	QUADRANT DWELLING UNIT LIMIT ²	REMAINING FUTURE UNITS
Northwest	12,228	15,097	15,370	273
Northeast	5,933	9,042 ³	9,042	0 ³
Southwest	10,151	11,512	12,859	1,347
Southeast	16,128	16,669	17,328	659

1 Includes existing units and undeveloped General Plan capacity (based on GMCP).

2 Based on Proposition E (1986).

3 When the General Plan update, including this Housing Element, is approved by the City Council, the capacity of one or more of the sites in the sites inventory may need to be reduced to ensure compliance with the Growth Management dwelling unit limit for the northeast quadrant. The "General Plan Capacity" and "Remaining Future Units" referenced above will be updated upon approval of the General Plan update; in no event will the quadrant dwelling unit limit be exceeded; also, the sites inventory will remain adequate to accommodate the city's RHNA.

Government Code 65863

California Government Code Section 65863 prohibits local governments, with certain exceptions, from approving residential projects at a density below that used to demonstrate compliance with Housing Element law. For Carlsbad, this Housing Element utilizes the minimum density (for lower and moderate income sites) to demonstrate compliance with Housing Element law.

If a reduction in residential density for any parcel would result in the remaining sites identified in the Housing Element not being adequate to accommodate the city's share of the regional housing need, the city may reduce the density on that parcel provided it identifies sufficient additional, adequate, and available sites with an equal or greater residential density so that there is no net loss of residential unit capacity.

Provisions for a Variety of Housing Types

Carlsbad's Zoning Ordinance accommodates a range of housing types in the community. Housing types permitted include standard single-family and multi-family housing, mobile homes, second units, mixed-use opportunities, as well as housing to meet special housing needs, such as farm labor housing, and housing for persons with disabilities. Table 10-35 summarizes and the following text describes the types of housing permitted in each residential and commercial zone.

TABLE 10–35: HOUSING TYPES BY ZONING CATEGORY

USES	E-A	R-E	R-A	R-1	R-2	R-3	R-P	R-W	R-DM	R-T	RMHP	C-1, C-2, C-L	PC
Single Family Homes (detached)	A	P	P	P	P	P ³	P ^{1,2}	P ¹	P ^{1,2}	P			P
Single Family Homes (attached)				P ³	P	P	P ⁴	P	P	P			P
Multi-Family Housing					P ^{5,6}	P ⁶	P ⁶	P ⁶	P ⁶	P		P ⁷	P ⁶
Second Dwelling Units		A ⁸	A ⁸	A ⁸	A ⁸	A ⁸	A ⁸	A ⁸	A ⁸	A ⁸			A ⁸
Mobile Homes	A	P	P	P	P	P ¹	P ¹	P ¹	P ¹	P	P		P
Large Residential Care Facility (>6 persons)						C	C ⁴		C				C
Small Residential Care Facility (≤6 persons)	A	P	P	P	P	P	P ⁴	P	P	P ⁹	P ⁹	P ⁹	P
Supportive Housing (>6 persons)						C ⁹	C ⁹		C ⁹				C ⁹
Supportive Housing (≤6 persons)		P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹
Transitional Housing (>6 persons)						C ⁹	C ⁹		C ⁹				C ⁹
Transitional Housing (≤6 persons)		P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹	P ⁹

A=Permitted Accessory Use; P=Permitted Use; C=Conditionally Permitted Use

1 Single-family dwellings are permitted when developed as two or more detached units on one lot. Also, one single-family dwelling shall be permitted on any legal lot that existed as of September 28, 2004, and which is designated and zoned for residential use.

2 When the zone implements the R-8 land use designation.

3 Subject to approval of a planned development permit.

4 When the zone implements the R-15 or R-23 land use designation.

5 A multi-family dwelling with a maximum of four (4) units may be erected when the side lot line of a lot abuts R-P, commercial or industrial zoned lots, but in no case shall the property consist of more than one lot, or be more than 90 feet in width.

6 Development of four or more multi-family dwellings requires approval of a site development plan.

7 Permitted when located above the ground floor of a multistory commercial building and subject to approval of a site development plan.

8 Accessory to single-family dwelling only.

9 As adopted by the City Council, October 2, 2012. Coastal Commission review expected in 2014.

Sources: City of Carlsbad Municipal Code, 2011; Carlsbad Planning Division, 2012.

Multi-Family Units

Multi-family units comprise roughly 29 percent of Carlsbad's housing stock and are permitted in six of the city's residential zones. Two-family units are permitted in the R-2, R-3, R-DM, R-W, and PC zones, while multi-family uses up to four units are permitted in the R-2 zone when the side lot line of a lot abuts R-P, commercial, or industrial zoned lots. Larger multi-family projects are permitted in the R-3, R-DM, R-W, and PC zones with approval of a Site Development Plan.

Second Dwelling Units

Second dwelling units are permitted as an accessory use to a one-family dwelling in the R-E, R-A, R-1, R-2, R-3, R-P, R-W, R-DM, and R-T zones.

Manufactured Housing and Mobile Homes

State housing law requires communities to allow manufactured housing by right on lots zoned for single-family dwellings. However, the city can regulate the architectural design of a manufactured home or mobile home. The city's current requirements for manufactured housing and mobile homes comply with state law. Mobile home parks are also permitted in the RMHP zone.

Transitional Housing and Supportive Housing

Transitional housing is a type of housing used to facilitate the movement of homeless individuals and families to permanent housing. Transitional housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments and typically offers case management and support services to return people to independent living (usually between 6 and 24 months).

Supportive housing has no limit on length of stay and is linked to onsite or offsite services that assist the supportive housing resident in retaining housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Target population includes adults with low incomes having one or more physical or development disability, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions. This may also include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people.

Similar to transitional housing, supportive housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments. Supportive housing usually includes a service component either on- or off-site to assist the tenants in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

In order to implement Program 3.15 of the 2005-2010 Housing Element, the City Council adopted a Zoning Ordinance amendment in October 2012 that identified transitional and supportive housing as either permitted by right or conditionally permitted uses in all residential zones, as shown in Table 10-35, and in commercial zones where residential is permitted. However, during its review of this Housing Element, HCD noted that the amended ordinance does not meet the full requirements of SB2. Specifically, the ordinance could potentially impose conditions on transitional and supportive housing (i.e., occupancy limits) that it does not impose on other residential dwellings of the same type in the same zones. As a result, this Housing Element includes a program (Program 3.14) to amend the city's Zoning Ordinance to fully comply with state law.

Emergency Shelters

An emergency shelter is a facility that houses homeless persons on a limited short-term basis. In order to implement Program 3.14 of the 2005-2010 Housing Element and comply with SB2, the city adopted a Zoning Ordinance amendment in September 2012 to permit emergency shelters by right in the industrial zones, which are well served by major transportation and bus routes and have some commercial services. (The La Posada de Guadalupe homeless shelter discussed below is in the Heavy Industrial (M) Zone.) In these zones, year-round shelters with up to 30 persons or beds are permitted by right; larger shelters are conditionally permitted. The amendment also provided basic standards. The city anticipates the Coastal Commission will act on the amendment in early 2014.

Within the Planned Industrial (P-M) and M zones there are at least 27 acres that may be appropriate for emergency shelters. These sites are vacant and not constrained by airport noise and safety hazards; or private conditions, covenants, and restrictions or a zoning overlay that prohibit residential uses. In addition, following a period of significant office and industrial construction in the early 2000s, the city has high vacancy rates for both office and industrial uses (29.3 percent and 14.6 percent, respectively)⁵, providing an opportunity for emergency shelters to locate in vacant buildings. While the existing La Posada de Guadalupe homeless/farmworker housing facility accommodates the current estimates of homeless persons in the city (110 in 2012, as described in Section 10.2), there may be additional need (e.g., for women and families) in the future that can be accommodated on these sites.

As with all uses locating in the P-M or M zones, siting an emergency shelter will require consideration be given to the presence of surrounding industrial uses that may employ chemicals or hazardous materials or procedures that could pose a threat. Such surrounding uses may render a potential emergency shelter location as unsuitable or may require additional building requirements. It is not possible to determine if such conditions exist until a specific site is identified.

⁵ City of Carlsbad, "Working Paper #2, The Local Economy, Business Diversity and Tourism", 2010.

In 2012, Catholic Charities began construction to rebuild and expand the current year-round La Posada de Guadalupe homeless shelter to provide additional farmworker housing. The project is funded in part by a Community Development Block Grant and a \$2 million grant from the city's Agriculture Conversion Mitigation Fund (see Section 10.3 for more information). Following reconstruction, this facility will feature 50-70 beds for farmworkers in addition to the 50-beds that currently serve farmworkers and homeless men. Additionally, the city's funding grant stipulated that the farmworker portion of the shelter expansion be converted to accommodate homeless persons, including families, should agriculture in Carlsbad ever diminish to the point that farmworker housing is unnecessary.

The city has also provided funding to North County Solutions for Change (Solutions) to assist them in the development of affordable housing to be used by families graduating from their homeless prevention program. Approximately 10 Carlsbad residents are served by the prevention program each year. In 2012, the City Council authorized Solutions to use city allocated funds to assist them in acquiring an existing 47 unit apartment complex in the City of Vista (the high cost of land made it difficult to find a cost effective site in Carlsbad). Solutions completed the rehabilitation of the apartments in Vista and is moving formerly homeless families into the complex.

The city also participates in regional homeless programs. Most recently, Carlsbad supported through funding the multi-jurisdictional North County Regional Winter Shelter Program. One of the shelters participating in this Program is La Posada de Guadalupe. Carlsbad is also served by other homeless shelters and programs as identified in Table 10-13.

Farm Labor Housing

The city permits agriculture as a permitted use in many zones, including:

- Exclusive Agricultural (E-A)
- Residential Agricultural (R-A)
- Rural Residential Estate (R-E)
- One-Family Residential (R-1)
- Two-Family Residential (R-2)
- Multiple-Family Residential (R-3)
- Open Space (O-S)

While the city has established a zoning district of Exclusive Agricultural (E-A), only three, small scattered properties are zoned E-A.

Pursuant to the State Employee Housing Act (Section 17000 of the Health and Safety Code), employee housing for agricultural workers consisting of no more

than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household is permitted by right in an agricultural land use designation. Therefore, for properties that permit agricultural uses by right, a local jurisdiction may not treat employee housing that meets the above criteria any differently than an agricultural use.

Furthermore, any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure with a residential land use designation, according to the Employee Housing Act. Employee housing for six or fewer persons is permitted where a single-family residence is permitted. No conditional or special use permit or variance is required.

To comply with Health and Safety Code Section 17021.6 and implement Program 3.13 in the 2005-2010 Housing Element, a Zoning Ordinance amendment was adopted by the City Council in October 2012. The amendment permits farm-worker housing by right or conditionally where agricultural uses are also permitted by right or conditionally, respectively. The city anticipates that the Coastal Commission will act on the amendment in early 2014.

Alternative Housing

State law requires housing elements to identify zoning to encourage and facilitate housing for extremely low income households, including single-room occupancy units (SROs).

To implement Program 3.13 in the 2005-2010 Housing Element and expand housing opportunities for extremely-low-income households, in September 2012 the City Council approved an amendment to the Village Master Plan and Design Manual to conditionally permit and establish standards for managed living units” in certain districts of the Village area. A managed living unit is designed and intended for transient occupancy of daily, weekly or longer tenancy or permanent residency, providing sleeping or living facilities for one or two persons, in which a full bathroom and a partial kitchen are provided.

The amendment fulfilled program objectives by providing standards for a viable housing option for lower-income persons. The city anticipates that the Coastal Commission will act on the amendment in early 2014. The city has not identified any additional barriers to the development of alternative housing solutions for very and extremely low income housing.

Licensed Community Care Facilities

The California Health and Safety Code requires that certain community care facilities serving six or fewer persons be permitted by right in residential zones. Moreover, such facilities cannot be subject to requirements (development standards, fees, etc.) more stringent than single-family homes in the same district. The Carlsbad Zoning Ordinance states that residents and operators of a residential care facility serving six or fewer persons are considered a “family” for

purposes of any zoning regulation relating to residential use of such facilities. Therefore, small residential care facilities are permitted under the same conditions and in the same locations as detached and attached single-family and multi-family dwellings. Residential care facilities serving more than six persons are conditionally permitted in the R-3, R-D-M and C-2 zones and the R-P zone when that zone implements the R15, R23, or R30 land use designation.

The city has no distance requirements for residential care facilities. Conditions for approval relate to setback and parking requirements, compatibility with surrounding uses, ingress/egress, consistency with the General Plan and other city plans, requirements by the city's Fire Department, and compliance with State Department of Social Services licensing requirements. Furthermore, the Zoning Ordinance provides that, on appeal, the City Council may modify these requirements provided that the modifications would not impact the health and safety of the residents. The city's conditions for approval have not served to constrain the development of residential care facilities in Carlsbad. According to the State Department of Social Services Licensing Division, 31 licensed residential care facilities for elderly and adults are located in Carlsbad, providing over 2,200 beds. Among these facilities, 11 have more than six beds.

Housing for Persons with Disabilities

The State Housing Element law requires a jurisdiction review its policies and regulations regarding housing for persons with disabilities.

Zoning and Land Use. The city of Carlsbad complies with the State law, allowing small licensed community care facilities for six and fewer persons by right. Facilities serving more than six persons are conditionally permitted in the R-3, R-D-M, C-2 and R-P zones (see discussion above under "Licensed Community Care Facilities").

Furthermore, the Carlsbad Zoning Ordinance provides for the development of multi-family housing in the R-2, R-3, R-P, R-W, R-DM, and P-C (as provided through master plans) zones. Regular multi-family housing for persons with special needs, such as apartments for seniors and the disabled, are considered regular residential uses permitted by right in these zones. The city's land use policies and zoning provisions do not constrain the development of such housing.

Definition of Family. Although the city does not differentiate between related and unrelated individuals living together in its definition of "family," HCD commented in the last Housing Element update that the terms in the definition, "reasonable number of persons" and "bona fide housekeeping unit", posed a constraint to housing and were potentially discriminatory. The city removed these terms from the definition of "family" to eliminate any potential or perceived constraint to development. The amendment was adopted by City Council in 2010 and approved by the Coastal Commission in 2011.

Building Codes. The city enforces Title 24 of the California Code of Regulations that regulates the access and adaptability of buildings to accommodate persons with disabilities. No unique restrictions are in place that would constrain the development of housing for persons with disabilities. Compliance with provisions of the Code of Regulations, California Building Standards Code, and federal Americans with Disabilities Act (ADA) is assessed and enforced by the Building Division as a part of the building permit submittal.

Reasonable Accommodation Procedure. Both the Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e. modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and access housing. To provide individuals with disabilities such reasonable accommodation, the city adopted a Zoning Ordinance amendment in 2011 to establish a procedure for requests for reasonable accommodation. The amendment was approved by the Coastal Commission in March 2013.

Mitigating Opportunities

The city recognizes the importance of providing a variety of housing options to meet the varied needs of its residents. With respect to emergency shelters, the city will continue to participate financially in regional programs, such as the North County Regional Winter Shelter Program, which utilizes the La Posada de Guadalupe men's homeless/farmworker shelter in Carlsbad and other emergency shelters to provide emergency shelter in the local area. The city's regulations do not represent a constraint to development of the other housing types described above.

Residential Development Standards

Carlsbad regulates the type, location, appearance, and scale of residential development primarily through the Zoning Ordinance. Zoning regulations are designed to maintain the quality of neighborhoods, protect the health, safety, and general welfare of the community, and implement the policies of the city's General Plan. Table 10-36 summarizes the residential development standards in Carlsbad.

Overall, the city's development standards are typical and consistent with a community that is constrained by its hilly topography. Density is regulated by the General Plan land use designation as demonstrated in Table 10-36.

TABLE 10–36: BASIC RESIDENTIAL DEVELOPMENT STANDARDS

CHARACTERISTIC OF LOT, LOCATION AND HEIGHT	R-E	R-A	R-1	R-2	R-3	RD-M	R-W	R-T	R-P	RMHP	V-R
Minimum Net Lot Area (in square feet)											
Minimum Lot Width (feet)	300'	60'-80'	60'-80'	60'-80'	60'	60'	40'	–	60'-80'	50'	n/a
Maximum Lot Coverage	20%	40%	40%	50%	60%	60%	75%	–	60%	75%	60-100% ⁸
Minimum Setbacks (feet)											
Front	70'	20' ¹	20' ¹	20' ¹	20' ¹	10'-20' ³	10'	20'	20' ¹	5'	0'-20' ⁸
Side	15'-50'	5'-10' ²	5'-10' ²	5'-10' ²	5'-10' ²	0'-10' ⁵	4'-8' ⁶	5'-10' ⁷	5'-10' ²	3'	0'-10' ⁸
Rear	30'	10'-20'	10'-20'	10'-20'	10'-20'	10'	8'	20'	20' ⁴	3'	0'-10' ⁸
Maximum Height (in feet)	35'	24'-35'	24'-35'	24'-35'	35'	35'	35'	35'	35'	–	30'-45' ⁸

1 For key lots and lots which side upon commercially or industrially zoned property, the minimum setback is 15 feet.

2 Interior lot side yards must have a minimum setback of 10 percent of the lot width, but not less than 5 feet and need not exceed 10 feet. Corner lot side yards facing the street must be 10 feet and extend the length of the lot.

3 A minimum of 15-foot setback permitted providing carport or garage openings do not face the front yard: a minimum of 10 feet permitted, provided carport or garage openings do not face the yard and that the remaining front yard is landscaped with a combination of flowers, shrubs, trees, and irrigated with a sprinkler system.

4 Equal to 20 percent of lot width, need not exceed 20 feet.

5 Interior lot side yards must have a minimum setback of 5 feet. Corner lot side yards facing the street must be a minimum of 10 feet; exceptions can be made to allow a 0-foot interior side yard setback and 5-foot street side yard setback on a corner lot.

6 Interior lot side yards must have a minimum setback of 4 feet. Corner lot side yards facing the street must be a minimum of 8 feet.

7 Interior lot side yards must have a minimum setback of 10 feet on one side of the lot and a minimum of 5 feet on the other side. Corner lot side yards facing the street must be 10 feet and extend the length of the lot.

8 In the Village Review (V-R) Zone, development standards vary by district. Additionally, the City Council may modify standards on a case-by-case basis, in order to facilitate affordable housing or promote "green building" (e.g., LEED certification) design.

Source: City of Carlsbad, 2011.

Parking

Parking requirements in Carlsbad vary depending on housing type and anticipated parking needs (Table 10-37). The city's parking standards are the same as or lower than many communities in the San Diego region and therefore do not serve to constrain residential development.⁶ Furthermore, the city has a demonstrated history of making concessions (i.e. reduced parking requirements) in order to facilitate affordable housing development. The city has also approved reduced parking standards and increased densities to foster redevelopment in the Village.

TABLE 10-37: PARKING REQUIREMENTS

USE	PARKING REQUIREMENT
Detached and attached single family dwellings in R-1, R-A, E-A and RE Zones	2 spaces per unit in a garage.
Planned Unit Developments or Condominiums	Detached or attached single family dwellings: 2 spaces per unit in a garage. Condominiums: - Studio and 1-bedroom: 1.5 covered spaces per unit - 2+Bedrooms: 2.0 covered spaces per unit Guest parking: 0.3 spaces per unit (<10 units); 0.25 spaces per unit (over 10 units)
Apartments	Studio and 1-bedroom: 1.5 spaces per unit 2+ Bedrooms: 2.0 spaces per unit Guest parking: 0.3 spaces per unit (<10 units); 0.25 spaces per unit (over 10 units)
Mobile homes in mobile home parks	2.0 spaces per mobile home plus 1.0 guest space per 4 units.
Second dwelling units	1.0 space per unit.
Residential care facilities	2.0 spaces plus one guest space per three beds.
Housing for seniors	1.5 spaces per unit plus one guest space per five units.

Source: City of Carlsbad Municipal Code, 2012.

On- and Off-Site Improvements

Requirements for on- and off-site improvements vary depending on the presence of existing improvements, as well as the size and nature of the proposed development. In general, most residential areas in Carlsbad are served with existing infrastructure. Developers are responsible for all on-site improvements, including parking, landscaping, open space development, walkways, and all utility connections.

On- and off-site improvement standards are specified in the General Design Standards developed by the city's Land Development Engineering Division. The General Design Standards provide standards for: public streets and traffic;

⁶ Parking standards for the cities of Escondido, Oceanside, San Marcos, Santee, and Vista, and the County of San Diego were reviewed. These communities have adopted parking standards that are similar, indicating fairly consistent parking requirements in the region.

private streets and driveways; drainage and storm drains; sewer lines; and grading and erosion controls.

The city's fee structure includes some on- and off-site improvements. Off-site improvement fees include drainage and sewer facility fees, school fees, park land fees, and public facility fees, among others.

Mitigating Opportunities

Pursuant to state density bonus law, the city offers density increases above the maximum of the density range and/or in-lieu incentives in order to facilitate the development of housing affordable to lower and moderate income households. Depending on the percentage of affordable units and level of affordability, a maximum density bonus of 35 percent may be achieved. Pursuant to the city's Zoning Ordinance, incentives in-lieu of density increases may include the following:

- A reduction in site development standards or a modification of Zoning Ordinance requirements or architectural design requirements that exceed the minimum building standards approved by the State Building Standards Commission;
- Approval of mixed use zoning in conjunction with the housing development;
- Other regulatory incentives or concessions proposed by the developer or the city which result in identifiable cost reductions;
- Partial or additional density bonus;
- Subsidized or reduced planning, plan check or permit fees; and
- Direct financial aid including, but not limited to the city's Affordable Housing Trust Fund, Community Development Block Grant funding, or subsidizing infrastructure, land cost or construction costs or other incentives of equivalent financial value based upon the land costs per dwelling unit.

Furthermore, developments meeting state density bonus requirements may use the state's parking standards:

- Studio and one-bedroom: one parking space
- Two- and three-bedroom: two parking spaces
- Four or more bedrooms: 2.5 parking spaces

These requirements include guest and handicapped parking.

To grant a state density bonus, the city must be able to make the findings specified in state density bonus law. An allocation of excess dwelling units (discussed previously in this section) must also be granted. To be eligible for a state density

bonus, a project must include the development of affordable housing; therefore, the project is also eligible for an allocation of excess dwelling units. The city's policy regarding excess dwelling units does not conflict with the city's ability to grant a state density bonus.

Development Review Process

City Review

One of the City Council's four key priorities for fiscal year 2011-2012 was to streamline city processes to support faster development review processing times and more efficient handling of business requests and services. To that end, the City Council directed city staff to find ways to forge a stronger partnership with the development community and improve the efficiency of the development review process for the developer, community members, and city staff.

A working group developed a set of initiatives including reducing the time period for project reviews, extending the validity period for permits, changing rules for decision-making, and creating manuals and guidelines to clarify and illustrate regulations. In addition, a Development Review Team meets monthly to monitor major projects and make sure they stay on track.

Another city initiative was the consolidation of most of the staff involved in development review (Housing and Neighborhood Services, Planning, Land Design Engineering, Building, and Economic Development) into a single department, Community & Economic Development. This clarified communication lines for both project applicants and city staff. Most of the initiatives have been implemented. One initiative that requires an amendment to the Zoning Ordinance will become effective when the Coastal Commission acts on the related Local Coastal Program Amendment (anticipated in 2014).

Carlsbad's review process depends on the project type and complexity, and whether a major variation in development standards, land use, or operating conditions is requested. If the proposed project involves ownership units, then either a tentative tract map or parcel map is required. If condominium ownership is proposed, then a Planned Unit Development (PUD) permit is required. This PUD process allows review of project design features, such as architecture, site design, landscaping, and recreation areas. Zoning Ordinance Chapter 21.45 contains the standards required for projects subject to a PUD; the chapter also provides the necessary approval findings and references applicable City Council policies specifying architectural and neighborhood design.

The discretionary review process for rental apartments is more straightforward. Apartment projects with no more than four units are allowed by right in multi-family zones, provided they meet General Plan density thresholds. Since only a building permit is required, apartment complexes with four or fewer units provide an opportunity for infill of underutilized sites. Apartment

developments with more than four units must submit a Site Development Plan (SDP) application that is subject to approval by the Planning Commission. The Planning Commission review of the SDP pertains only to design features of the development since the residential use is allowed by right.

According to Zoning Ordinance Section 21.53.120, SDPs are also required for rental or ownership affordable housing projects of any size. “Affordable housing” is defined in the Zoning Ordinance as “housing for which the allowable housing expenses for a for-sale or rental dwelling unit paid by a household would not exceed thirty percent of the gross monthly income for target income levels, adjusted for household size.” Review of SDPs for affordable housing projects follows the timeframes discussed below. Processing of SDPs is explained in Zoning Ordinance Chapter 21.06.

As mentioned previously, review of the SDP focuses only on design features, not the residential use. An identification of these design features or development standards is listed in Section 21.53.120 (c) as follows:

- The development standards of the underlying zone and/or any applicable specific or master plan, except for affordable housing projects as expressly modified by the SDP.
- The SDP for affordable housing projects may allow less restrictive development standards than specified in the underlying zone or elsewhere provided that the project is consistent with all applicable policies (such as the General Plan) and ordinances
- In the Coastal Zone, any project requiring a SDP shall be consistent with all certified local coastal program provisions, with the exception of density.
- Through the SDP process, the Planning Commission or the City Council may impose special conditions or requirements that are more restrictive than the development standards in the underlying zone or elsewhere that include provisions for, but are not limited to the following:
 - Density of use;
 - Compatibility with surrounding properties;
 - Parking standards;
 - Setbacks, yards, active and passive open space required as part of the entitlement process, and on-site recreational facilities;
 - Height and bulk of buildings;
 - Fences and walls;
 - Signs;
 - Additional landscaping;

- Grading, slopes and drainage;
- Time period within which the project or any phases of the project shall be completed;
- Points of ingress and egress;
- Other requirements to ensure consistency with the General Plan or other adopted documents; and
- On- or off-site public improvements.

To assist applicant certainty regarding the standards that would be applied, documents such as the Zoning Ordinance and other planning requirements applicable to multi-family developments are available from the Carlsbad Planning Division via mail, email, online, or in person. Applicable provisions as well as application forms and fee information may be found on the division's website at <http://www.carlsbadca.gov/planning/index.html>.

Additionally, Zoning Ordinance Section 21.06.020 establishes the approval findings for SDPs. These findings are as follows:

That the requested use is properly related to the site, surroundings and environmental settings, is consistent with the various elements and objectives of the General Plan, will not be detrimental to existing uses or to uses specifically permitted in the area in which the proposed use is to be located, and will not adversely impact the site, surroundings or traffic circulation;

That the site for the intended use is adequate in size and shape to accommodate the use;

That all of the yards, setbacks, walls, fences, landscaping, and other features necessary to adjust the requested use to existing or permitted future uses in the neighborhood will be provided and maintained, and;

That the street system serving the proposed use is adequate to properly handle all traffic generated by the proposed use.

These findings, and the development standards that are applicable to multi-family development, are specific to the design of the project and its site, and the project's compatibility with its surroundings and serving infrastructure. Furthermore, they are readily available to a project applicant. Sites for high density development in the city are located according to General Plan standards to help ensure they are in locations compatible with their surroundings and appropriately located near adequate services and transportation networks.

Carlsbad offers a preliminary review process to potential applicants. For a reduced application fee and minimal submittal requirements, applicants will receive detailed information on the standards and processing applicable for their anticipated projects, including comments from the city's Community and

Economic Development Department (Building, Land Development Engineering, and Planning Divisions), and Fire Prevention.

The timeframe for processing required permits can vary, depending on the size and type of development, permits required, and approving entity (Table 10-38). Typical processing time for a single-family home is two to three weeks, while larger subdivisions can take eight to 12 months (from the application date to approval date).

TABLE 10-38: DISCRETIONARY REVIEWS FOR RESIDENTIAL PROJECTS

TYPE OF DEVELOPMENT	PERMITS REQUIRED	APPROVING ENTITY	PROCESSING TIME
Single-Family House (1 Unit)	Building Permit	Building Official	2 – 3 weeks
Single-Family Standard Subdivision (1-4 Units)	Tentative Parcel Map	City Planner ¹	3 – 6 months
Single-Family Small-lot Subdivision (1-4 Units)	Tent. Parcel Map PUD Permit	City Planner ¹	4 – 8 months
Single-Family or Multi-family Condominiums (1-4 Units)	Tent. Parcel Map PUD Permit	City Planner ¹	4 – 8 months
Single-Family or Multi-family Apartments (1-4 Units)	Building Permit	Building Official ¹	3 – 5 weeks
Single-Family Standard Subdivision (5+ Units)	Tent. Tract Map	Planning Commission	6 – 9 months
Single-Family Small-lot Subdivision (5+ Units)	Tent. Tract Map PUD Permit	Planning Commission	6 – 11 months
Single-Family or Multi-family Condominiums (5+ Units)	Tent. Tract Map PUD Permit	Planning Commission	6 – 11 months
Single-Family or Multi-family Apartments (5+ Units)	Site Development Plan	Planning Commission	6 – 11 months

¹ Affordable housing projects of any size require approval of a SDP by the Planning Commission.

Source: City of Carlsbad, 2013.

California Coastal Commission

The city has obtained Coastal Development Permit jurisdiction for five of the six Local Coastal Plan (LCP) segments (excluding the Agua Hedionda LCP segment) within its boundaries. Development within these five LCP segments of the coastal zone consistent with the Local Coastal Program is not required to be reviewed by the Coastal Commission.

Proposed changes to the LCP or ordinances that implement the LCP, such as the Carlsbad Zoning Ordinance, require the filing of a LCP amendment with the Coastal Commission after all city approvals have occurred. The Coastal Commission must review and approve these changes before they become effective in the Coastal Zone. This additional review may add a year or more. Since the requirement to file a LCP amendment is applicable to all jurisdictions with Coastal Zones, it is not unique to the City of Carlsbad and does not constitute an actual constraint to housing development.

San Diego Regional Airport Authority

Carlsbad is home to the McClellan-Palomar Airport, a public aviation facility, owned by the County of San Diego. Pursuant to state law, all GPAs, Zoning Ordinance amendments, and Master and Specific Plan amendments that affect land within the airport's influence area in Carlsbad must be reviewed by the San Diego County Regional Airport Authority (SDCRAA). The SDCRAA has 60 days for the review. However, the City Council has the authority to override the SDCRAA review with a four-fifths vote. Since this requirement is applicable to all jurisdictions located near airports/airfields, this requirement is not unique to the City of Carlsbad and does not constitute an actual constraint to housing development. Other potential constraints associated with the airport are discussed in Section 10.4.

Mitigating Opportunities

The city complies with state requirements for streamlining the permit processing procedures. In addition, the city offers priority processing for affordable housing projects, reducing the review time for discretionary permits.

Building Codes

On January 1, 2011, the 2010 California Building Code and appendices became effective and were adopted by the city, along with local amendments related to administrative procedures (e.g., permit expiration and exemptions). This includes applicable green building, electrical, mechanical, plumbing and fire regulations. Applicants' plans are reviewed for compliance with the building code before permits are issued.

Fees and Exactions

The City of Carlsbad collects planning and development fees to cover the costs of processing permits. The city also charges impact fees to recover the cost of providing the necessary public services, infrastructure, and facilities required to serve new residential development. Typical permit fees are presented in Table 10-39.

On average, permit and development impact fees total to \$54,400 for a typical single-family home and \$20,600 for a multi-family unit.

It is difficult to compare fees across different communities, since they tend to have different types of fees. For example, Carlsbad may have some fees that are higher, but the city does not have a design review fee as in most adjacent communities. Still, a comparative assessment has been undertaken. According to the respective city's draft housing elements, the neighboring City of Oceanside describes \$32,829 - \$36,109 for single-family homes and \$22,832 - \$23,488 per unit for a multi-family project; in the City of San Marcos, fees are estimated at approximately \$55,717 per unit in single-family subdivisions and \$33,632 per unit

TABLE 10–39: DEVELOPMENT IMPACT AND PERMIT ISSUANCE FEE SCHEDULE

TYPE	FEE
Administrative Variance	\$724
Affordable Housing	
Impact	\$2,915/du
In-Lieu	\$4,515/du
Coastal Development Permit	
Single Family Lot	\$1,039
2-4 Units or Lots	\$2,104
5+ Units or Lot Subdivision	\$3,425
Environmental Impact Report	\$19,351
General Plan Amendment	
0-5 Acres	\$4,117
Over 5 Acres	\$5,939
Habitat Management Permit	
Minor	\$533
Major	\$3,770
Hillside Development Permit	
Single Family	\$1,198
Other (Multiple Lots)	\$2,424
Local Coastal Program Amendment	\$6,019
Local Facilities Management Zone Plan / Amendment	\$10,000.00/Fee+ Min. Increments of \$5,000.00
Master Plan	\$40,311
Master Plan Pre-Filing Submittal	\$6,855
Planned Development	
Minor (4 or fewer units)	\$2,908
Major (5-50 units)	\$8,064
Major (51+ units)	\$12,741
Sewer Connection Fee	\$1,096
Site Development Plan	
Minor (<4 units)	\$4,309
Major (all non-residential)	\$10,930
Specific Plan	\$33,669
Tentative Tract Map (Major Subdivision)	
5-49 Units/Lots	\$7,947
50+ Units/Lots	\$15,883
Traffic Impact Fee	
Single Family Detached	\$2,390-\$2,810/unit
Condominiums	\$1,192-\$2,248/unit
Apartments	\$1,434-\$1,686/unit
Zone Change	
<5 acres	\$4,730
5+ acres	\$6,408

Source: City of Carlsbad, September 2012.

for a typical multi-family project; and the City of Escondido estimates that a developer can expect to pay \$39,860 for a typical single-family dwelling unit and \$24,247 per unit for a multi-family project.

Mitigating Opportunities

Carlsbad's development fees do not unduly constrain the development of affordable housing in the city. Although the city does not waive fees for affordable housing projects, the city provides financial assistance to most affordable housing projects constructed in Carlsbad using a variety of funding sources, including the Housing Trust Fund, CDBG and HOME Housing Funds.

Environmental Constraints

Environmental constraints to residential development typically relate to the presence of sensitive habitat, water supply, topography, and other environmental hazards that can limit the amount of development in an area or increase the cost of development. This section analyzes these potential constraints.

Endangered Species/Sensitive Habitat

Carlsbad contains many areas where native habitat hosts endangered or sensitive species. Protection of many of the species is mandated by federal and state laws. The presence of sensitive or protected habitat and/or species can constrain the amount of developable land. With the high price of land in Carlsbad, this type of constraint on otherwise developable land would make the construction of affordable housing less feasible.

Mitigating Opportunities

With the adoption of the Habitat Management Plan (HMP) in 2004, the processing time for housing development and associated costs are reduced.

Water Supply

Although Carlsbad and the San Diego County Water Authority (SDCWA) do not foresee short-term water supply problems, the city cannot guarantee the long-term availability of an adequate water supply. Recent state law requires that the local water purveyor prepare a water supply assessment for larger subdivisions to ensure adequate long-term water supply for single-year and multi-year drought conditions prior to issuance of a building permit. The city also actively implements several water conservation programs and has an extensive network for the collection, treatment, and circulation of recycled water for non-potable uses throughout the city. The Carlsbad Desalination project, approved in November 2012, will provide a portion of the potable water needs of the Carlsbad Municipal Water District (CMWD), which serves most of the city. The CMWD Board approved an intent to enter into a 30-year agreement with SDCWA to purchase 2,500 acre-feet/year of desalinated water. This represents 12.5 percent

of the long-term projected water demand, and is an important component of the water district's strategy to ensure long-term water supply under drought conditions. The desalination project is under construction and is due to be completed in 2016.

Mitigating Opportunities

Pursuant to state law, affordable housing projects should be given priority for water and sewer services if supply or capacity becomes an issue.

The CMWD serves approximately 75 percent of the city, providing sewer service to the same area. Both the city and CMWD have adequate capacity and facilities to serve the portion of the city's remaining RHNA that is within their service areas.

The portions of Carlsbad not served by CMWD or the city are located in the southeastern part of Carlsbad, including the community known as "La Costa." For much of this area, the Leucadia Wastewater District provides sewer service and the Olivenhain Municipal and Vallecitos water districts provide water service (Vallecitos also provides sewer service). None of the sites the city has identified to meet its RHNA are located in the Vallecitos service area and fewer than 10 potential units are located in the Olivenhain district. According to the city's Growth Management Monitoring Report (FY 2012-13), both districts have indicated their ability to provide sewer and water services to the RHNA units within their respective service areas.

Topography

Certain topographic conditions can limit the amount of developable land and increase the cost of housing in Carlsbad. For safety and conservation purposes, Carlsbad's Hillside Development Ordinance does not allow significant amounts of grading without regulatory permits. In addition, land that has slopes over 40 percent is precluded from the adequate sites inventory in Section 10.3. Development on slopes greater than 25 percent but less than 40 percent is permitted on an area equivalent to half the site area to ensure safety and avoid erosion.

Thousands of acres of land in Carlsbad are constrained by topography. Where residential development is permitted on moderate slopes, the cost of improvement and construction in these areas increases and can affect the end price of the unit. For safety concerns and the community goal of preserving the unique scenic qualities of hillside topography, these policies on hillside development are necessary.

McClellan-Palomar Airport

The McClellan-Palomar Airport is located east of the I-5 and north of Palomar Airport Road within the city limits. The significant restrictions to residential development are the airport's safety zones (1-6) and within certain projected

noise contour levels. The safety zones identify areas restricted from certain uses due to potential crash hazards. The projected noise contour levels are used to quantify noise impacts and to determine compatibility with land uses. State noise standards have adopted the 65 CNEL (Community Noise Equivalent Level) as the exterior noise environment not suitable for residential use.

Mitigating Opportunities

The Carlsbad General Plan Land Use Element designates the area around the airport primarily for industrial and office uses. Multi-family residential development may be permitted in Safety Zone 6 without restriction, and in Safety Zones 3 and 4 provided density is limited to not more than 20 dwelling units per acre and additional open land is maintained. Any multi-family housing within the 65 CNEL is subject to a noise study and required mitigation measures. None of the city's sites identified to meet its RHNA are located within a restricted safety zone or 65 CNEL airport noise contour.

10.5 Review of Previous Housing Element

Before devising a new housing plan for the 2013-2020 Housing Element, the city reviewed the housing programs contained in the previous Housing Element (2005-2010, extended through 2012 by SB 575) for effectiveness and continued appropriateness. Appendix A provides a program-by-program discussion of achievements since 2005. The continued appropriateness of each program is also noted.

Section 10.6, Housing Plan, of this 2013-2020 Housing Element was subsequently developed based on the program-by-program review of the previous Housing Element, assessment of current demographic and housing conditions in the community (Section 10.2), resources available (Section 10.3), and constraints present (Section 10.4).

The following summarizes the achievements of the previous Housing Element in terms of housing constructed and preserved.

Housing Construction and Progress toward RHNA

The following Table 10-40 summarizes the city's progress in housing construction from 2003 through 2012. The RHNA for the previous planning period totaled 8,376 dwelling units. During this time, there were 6,534 dwelling units constructed in the city. Units were constructed at a range of income levels, though primarily for market-rate housing. However, due to the decline in sales price in Carlsbad since 2006, even market rate units may have been affordable to moderate income households, as shown in Table 10-24. Although not reflected in the table below, the city also helped to finance 50 to 70 additional shelter beds for homeless men and farmworkers.

TABLE 10-40: PROGRESS TOWARD MEETING THE RHNA: 2003-2012

	VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTAL
RHNA	1,922	1,460	1,583	3,411	8,376
Accomplishments					
Units Constructed	231	841	459	5,003	6,534
Units Rehabilitated	0	0	0	0	0
Units Conserved	0	0	0	0	0
Total	231	841	459	5,003	6,534

Source: City of Carlsbad, 2012 Annual Housing Element Progress Report.

Housing in the Coastal Zone

Pursuant to state law, the city monitors housing activities in the Coastal Zone. According to state law, coastal zone demolitions that meet certain criteria are not required to be replaced. One criterion is the demolition of a residential structure containing fewer than three dwelling units or the demolition of multiple residential structures containing 10 or fewer total dwelling units. A total of 13 units have been demolished in Carlsbad's Coastal Zone during the previous Housing Element period. Among these units, none were subject to replacement requirements.

The city's Inclusionary Housing program resulted in the construction of affordable units in the Coastal Zone or within three miles of the Coastal Zone. Detailed in Table 10-41 is a tabulation of the housing units constructed and demolished in Carlsbad's Coastal Zone from 1991 to 2012. Between 2005 and 2012, 687 housing units were added to the Coastal Zone, of which 25 (4 percent) were affordable to lower-income households.

TABLE 10-41: COASTAL ZONE RESIDENTIAL DEVELOPMENT

DATE	SINGLE-FAMILY		MULTIFAMILY		MOBILE HOMES	DEMOLITIONS	AFFORDABLE UNITS
	ATTACHED	DETACHED	2-4 UNITS	5+ UNITS			
1991-1999 (July 1, 1991 to June 30, 1999)	134	2,041	307	366	0	16	344
1999-2005 (July 1, 1999 to June 30, 2005)	60	2,381	305	4,837	0	8	456*
2005-2012 (July 1, 2005 to December 31, 2012)	367	12	82	226	0	13	25

*Includes 17 second dwelling units

Source: City of Carlsbad, 2013.

Housing Preservation

Overall, the city's housing stock is new and/or in good condition; therefore, housing preservation activities focused primarily on preserving the affordability of the units. Between 2005 and 2012, the city implemented the following preservation programs:

- In 2010, the city approved the conversion of a mobile home park from rental to a resident-owned park. Affordability of the units is protected pursuant to state law.
- In 2012, the City Council approved a \$7.4 million residual receipts loan from the Housing Trust Fund for the acquisition of 42 1950's era duplex units in the Barrio. The intent of the property acquisition is to consolidate the parcels and construct a new 140 unit high density (minimum 23 du/ac) lower income affordable housing development.

10.6 Housing Plan

This section of the Housing Element sets out the city's long-term housing goals and identifies a menu of shorter-term objectives, policy positions, and programs to achieve the long-term goals. The goals, objectives, policies, and programs comprise a broad-based Housing Plan for the creation of housing opportunities throughout the city. Through this Housing Plan the city demonstrates its understanding of housing needs, as well as its commitment of city resources to accommodate those needs.

Fiscal Considerations

While the city affirms its commitment towards meeting the community's housing needs, it is nevertheless incumbent on the city to acknowledge that the Housing Plan is but one of a large number of programs competing for the finite fiscal resources of the city. As such, it is not possible to subject this Housing Plan to strict budgetary scrutiny. In addition, there may be legal requirements affecting future encumbrances of funds, as well as demands in other areas requiring the city to make difficult decisions on budgetary priorities.

Defining Goals and Policies

The Goals, Policies and Programs section (10.6) of the Housing Plan establishes a policy framework to guide city decision making to meet identified goals. The housing programs outlined later represent actions the city will undertake to promote housing opportunities for all segments of the community.

The housing goals are articulated as a general "end condition statement," which states a desired outcome. The goals do not contain an action verb as they reflect a final statement of what the city will hope to achieve. How the goal will be achieved is established via the subordinate policies and programs.

Policies are statements on the position the city takes to implement an objective. Policies contained in the Housing Element are important statements as they reflect the city's official position on a matter. Future development must be consistent with these policies.

Designing Housing Programs

The housing goals and policies address Carlsbad's identified housing needs, and are implemented through a series of housing programs offered by the city. Housing programs define the specific actions the city will undertake to achieve the stated goals and policies. Each program identifies the following:

Funding: Indicates the sources of funds to be used for each program. When these funds become unavailable, implementation of these programs may not be possible.

Lead Agency: Indicates the agency, department, division or authority responsible for the program. When more than one agency is listed it is a joint or cooperative effort. The City Council functions as the Housing Authority in carrying out various housing programs. Administration and actual staffing of housing programs are carried out by the Housing and Neighborhood Services Division.

Objectives: Indicates the specific objectives to be achieved. Whenever possible, the objectives would be quantified.

Time Frame: Indicates the time span for the programs and target year for specific accomplishments or milestones. Unless otherwise stated, the time frame for program implementation is April 30, 2013 through April 29, 2021.

10.7 Goals, Policies, and Programs

Preservation

Preserving the existing housing stock and avoiding deterioration that often leads to the need for substantial rehabilitation is one of the city's goals. In addition, it is important to preserve affordable housing units in the community to maintain adequate housing opportunities for all residents.

- 10-G.1** Carlsbad's existing housing stock preserved, rehabilitated, and improved with special attention to housing affordable to lower-income households.
- 10-P.1** Withhold approval of requests to convert existing rental units to condominiums when the property contains households of low and moderate income, unless findings can be made that a reasonable portion of the units will remain affordable after conversion, or the loss of affordable units is mitigated.
- 10-P.2** Set aside approximately 20 percent of the rental units acquired by the city or Housing Authority for rehabilitation purposes for households in the very low income range.
- 10-P.3** Monitor the status of assisted rental housing and explore options for preserving the units "at risk" of converting to market-rate housing.
- 10-P.4** Seek to reduce or eliminate net loss of existing mobile home rental opportunities available to lower and moderate income households.
- 10-P.5** Aim to retain and preserve the affordability of mobile home parks.
- 10-P.6** Survey residential areas periodically to identify substandard and deteriorating housing in need of replacement or rehabilitation.
- 10-P.7** Provide rehabilitation assistance, loan subsidies, and rebates to lower-income households, special needs households, and senior homeowners to rehabilitate deteriorating homes.
- 10-P.8** When feasible, acquire rental housing from private owners by utilizing various local, state, and federal funding sources, and rehabilitate deteriorated structures if needed. If acquisition is not feasible, provide incentives to property owners to rehabilitate deteriorating rental units that house lower income households.
- 10-P.9** Provide a reasonable number of rental units acquired by the city or Housing Authority for rehabilitation purposes to be affordable to households in the extremely and/or very low income range.

Program 1.1: Condominium Conversion

The city will continue to discourage and/or restrict condominium conversions when such conversions would reduce the number of low or moderate income housing units available throughout the city. All condominium conversions are

subject to the city's Inclusionary Housing Ordinance; the in-lieu fees or actual affordable units required by the ordinance would be used to mitigate the loss of affordable rental units from the city's housing stock.

Funding: Housing Trust Fund

Lead Agency: Planning Division

Objectives and Time Frame:

- Continue implementation of the Inclusionary Housing Ordinance and impose inclusionary housing requirements on condominium conversions.

Program 1.2: Mobile Home Park Preservation

The city will continue to implement the city's Residential Mobile Home Park zoning ordinance (Municipal Code Chapter 21.37) that sets conditions on changes of use or conversions of mobile home parks, consistent with Government Code Section 66427.5.

The city will also assist lower income tenants of mobile home parks to research the financial feasibility of purchasing their mobile home parks so as to maintain the rents at levels affordable to its tenants.

Funding: Housing Trust Fund, state grants and loans

Lead Agency: Planning Division, Housing and Neighborhood Services Division

Objectives and Time Frame:

- Continue to regulate the conversion of mobile home parks in Carlsbad, as permitted by state law.
- As appropriate, provide information to mobile home park tenants regarding potential tenant purchase of parks and assistance available.

Program 1.3: Acquisition/Rehabilitation of Rental Housing

The city will continue to provide assistance on a case-by-case basis to preserve the existing stock of lower and moderate income rental housing, including:

- Provide loans, grants, and/or rebates to owners of rental properties to make needed repairs and rehabilitation.
- As financially feasible, acquire and rehabilitate rental housing that is sub-standard, deteriorating or in danger of being demolished. Set-aside at least 20 percent of the rehabilitated units for extremely- and/or very low income households.

- As appropriate and determined by City Council, provide deferral or subsidy of planning and building fees, and priority processing. Priority will be given to repair and rehabilitation of housing identified by the city's Building Division as being substandard or deteriorating, and which houses lower income and in some cases moderate income households.

Funding: State grants and loans, Housing Trust Fund, CDBG

Lead Agency: Housing and Neighborhood Services Division, Building Division

Objectives and Time Frame:

- Assist in the acquisition and/or rehabilitation of 44 rental housing units between 2013 and 2020.
- Contact nonprofit housing developers annually to explore opportunities for acquisition/rehabilitation of rental housing.
- As appropriate and as financially feasible, make funding available to non-profit organizations to assist in the acquisition and rehabilitation of existing rental housing.

Program 1.4: Rehabilitation of Owner-Occupied Housing

As the housing stock ages, the need for rehabilitation assistance may increase. The city will provide assistance to homeowners to rehabilitate deteriorating housing. Eligible activities under this program include such things as repairing faulty plumbing and electrical systems, replacing broken windows, repairing termite and dry-rot damage, and installing home weatherization improvements. Assistance may include financial incentives in the form of low interest and deferred payment loans, and rebates. Households targeted for assistance include lower-income and special needs (disabled, large, and senior) households.

Funding: Housing Trust Fund, CDBG, state loans and grants

Lead Agency: Housing and Neighborhood Services Division

Objectives and Time Frame:

- Continue to implement the city's Minor Home Repair Program to provide grants to up to 10 low income households to help improve their single-family homes.

Program 1.5: Preservation of At-Risk Housing

One project within the city—Santa Fe Ranch Apartments—may be considered as at risk if the owner pays off bonds early. While this is unlikely since the current income at affordable levels is not substantially lower than the potential income at market rates, the city will nonetheless monitor its status. Through monitoring, the city will ensure tenants receive proper notification of any changes. The city will also contact nonprofit housing developers to solicit interest in acquiring

and managing the property in the event this or any similar project becomes at risk of converting to market rate.

Funding: Housing Trust Fund, CDBG, state loans and grants

Lead Agency: Housing and Neighborhood Services Division

Objectives and Time Frame:

- Periodically monitor the at-risk status of the 64 units at Santa Fe Ranch Apartments.
- Ensure that the tenants receive proper notification for any action related to rent increases.
- Provide tenants with information about other available rental assistance programs.

Housing Opportunities

A healthy and sustainable community relies on its diversity and its ability to maintain balance among different groups. The city encourages the production of new housing units that offer a wide range of housing types to meet the varied needs of its diverse population. A balanced inventory of housing in terms of unit type (e.g., single-family, apartment, condominium, etc.), cost, and architectural style will allow the city to fulfill a variety of housing needs.

- 10-G.2** New housing developed with diversity of types, prices, tenures, densities, and locations, and in sufficient quantity to meet the demand of anticipated city and regional growth.
- 10-P.10** Ensure the availability of sufficient developable acreage in all residential densities to accommodate varied housing types to meet Carlsbad's 2010-2020 Regional Housing Needs Assessment (RHNA), as discussed in Section 10.3 (Resources Available).
- 10-P.11** Ensure that housing construction is achieved through the use of modified codes and standards while retaining quality design and architecture.
- 10-P.12** Provide alternative housing opportunities by encouraging adaptive reuse of older commercial or industrial buildings.
- 10-P.13** Encourage increased integration of housing with nonresidential development where appropriate.
- 10-P.14** Encourage the use of innovative techniques and designs to promote energy conservation in residential development.

Program 2.1: Adequate Sites to Accommodate the RHNA

The city will continue to monitor the absorption of residential acreage in all densities and, if needed, recommend the creation of additional residential acreage at densities sufficient to meet the city's housing need for current and

future residents. Any such actions shall be undertaken only where consistent with the Growth Management Plan.

The analysis in Section 10.3 (Resources Available) identifies examples of how housing has been built on very small sites, such as in the Village and Barrio. However, to expand opportunities for additional affordable housing, the city will encourage the consolidation of small parcels in order to facilitate larger-scale developments that are compatible with existing neighborhoods. Specifically, the city will continue to make available an inventory of vacant and underutilized properties to interested developers, market infill and redevelopment opportunities throughout the city, including the Village and Barrio, and meet with developers to identify and discuss potential project sites.

Funding: Departmental budget and Housing Trust Fund

Lead Agency: Housing and Neighborhood Services Division, Planning Division

Objectives and Time Frame:

- Maintain adequate residential sites to accommodate the 2010-2020 RHNA..
- Post the inventory of vacant and underutilized properties on the city's website or in a public notification area of the city's Planning Division within one year of Housing Element adoption.

Program 2.2: Flexibility in Development Standards

The Planning Division, in its review of development applications, may recommend waiving or modifying certain development standards, or propose changes to the Municipal Code to encourage the development of low and moderate income housing. The city offers offsets to assist in the development of affordable housing citywide. Offsets include concessions or assistance including, but not limited to, direct financial assistance, density increases, standards modifications, or any other financial, land use, or regulatory concession that would result in an identifiable cost reduction.

Funding: Department budget

Lead Agency: Planning Division

Objectives and Time Frame:

- Continue to offer flexibility in development standards to facilitate the development of lower and moderate income households.
- Periodically review the Municipal Code and recommend changes that would enhance the feasibility of affordable housing, while maintaining the quality of housing.

Program 2.3: Mixed Use

The city will encourage mixed-use developments that include a residential component. Major commercial centers should incorporate, where appropriate, mixed commercial/residential uses.

Funding: Departmental budget

Lead Agency: Planning Division

Objectives and Time Frame:

- Periodically review development standards and incentives that would encourage mixed-use developments.
- Identify areas and properties with potential for mixed-use development and provide information to interested developers.

Program 2.4: Energy Conservation

The city has established requirements, programs, and actions to improve household energy efficiency, promote sustainability, and lower utility costs. The city shall enforce state requirements for energy conservation, including the latest green building standards, and promote and participate in regional water conservation and recycling programs.

- Create a coordinated energy conservation strategy, including strategies for residential uses, as part of a citywide Climate Action Plan.
- In the Village, encourage energy conservation and higher density development by the modification of development standards (e.g. parking standards, building setbacks, height, and increased density) as necessary to:
 - Enable developments to qualify for silver level or higher LEED (Leadership in Energy and Environmental Design) Certification, or a comparable green building rating, and to maintain the financial feasibility of the development with such certification.
 - Achieve densities at or above the minimum required if the applicant can provide acceptable evidence that application of the development standards precludes development at such densities.
- Facilitate resource conservation for all households by making available, through a competitive process, CDBG funds to non-profit organizations that could use such funds to replace windows, plumbing fixtures, and other physical improvements in lower-income neighborhoods, shelters, and transitional housing.
- Encourage infill development in urbanized areas, particularly in the Village and Barrio, through implementation of the Village Master Plan and Design Manual and the allowed density ranges in the Barrio.

Objectives and Time Frame:

- Continue to pursue energy efficient development and rehabilitation of residential units through incentives, funding assistance, and city policies.
 - Continue to explore additional incentives to facilitate energy efficient development.
- 10-G.3** Sufficient new, affordable housing opportunities in all quadrants of the city to meet the needs of current lower and moderate income households and those with special needs, and a fair share proportion of future lower and moderate income households.
- 10-P.15** Pursuant to the Inclusionary Housing Ordinance, require affordability for lower income households of a minimum of 15 percent of all residential ownership and qualifying rental projects. For projects that are required to include 10 or more units affordable to lower income households, at least 10 percent of the lower income units should have three or more bedrooms (lower income senior housing projects exempt).
- 10-P.16** Annually set priorities for future lower-income and special housing needs. The priorities will be set through the annual Consolidated Plan, which is prepared by the Housing and Neighborhood Services Division with assistance from the Planning Division and approved by the City Council. Priority given to the housing needs for lower-income subgroups (i.e., handicapped, seniors, large-family, very-low income) will be utilized for preference in the guidance of new housing constructed by the private sector and for the use of city funds for construction or assistance to low income projects.
- 10-P.17** Any proposed General Plan Amendment request to increase site densities for purposes of providing affordable housing, will be evaluated relative to the proposal's compatibility with adjacent land uses and proximity to employment opportunities, urban services or major roads, and other policies applicable to higher density sites that are identified in the General Plan Land Use and Community Design Element.
- 10-P.18** Adhere to City Council Policy Statement 43 when considering allocation of "excess dwelling units" for the purpose of allowing development to exceed the Growth Management Control Point (GMCP) density, as discussed in Section 10.3 (Resources Available). With limited exceptions, the allocation of excess dwelling units will require provision of housing affordable to lower income households.
- 10-P.19** Address the unmet housing needs of the community through new development and housing that is set aside for lower and moderate income households consistent with priorities set by the Housing and Neighborhood Services Division, in collaboration with the Planning Division, and as set forth in the city's Consolidated Plan.

- 10-P.20** Encourage the development of an adequate number of housing units suitably sized to meet the needs of lower and moderate income larger households.
- 10-P.21** Ensure that incentive programs, such as density bonus programs and new development programs are compatible and consistent with the city's Growth Management Plan.
- 10-P.22** Maintain the Housing Trust Fund and explore new funding mechanisms to facilitate the construction and rehabilitation of affordable housing.
- 10-P.23** Consistent with state law, establish affordable housing development with priority for receiving water and sewer services when capacity and supply of such services become an issue.
- 10-P.24** Pursuant to state law, identify and monitor housing units constructed, converted, and demolished in the Coastal Zone along with information regarding whether these units are affordable to lower and moderate income households

Program 3.1: Inclusionary Housing Ordinance

The city will continue to implement its Inclusionary Housing Ordinance, which requires a minimum of 15 percent of all ownership and qualifying rental residential projects of seven or more units be restricted and affordable to lower income households. This program requires an agreement between all residential developers subject to this inclusionary requirement and the city which stipulates:

- The number of required lower income inclusionary units;
- The designated sites for the location of the units;
- A phasing schedule for production of the units; and
- The term of affordability for the units.

For all ownership and qualifying rental projects of fewer than seven units, payment of a fee in lieu of inclusionary units is permitted. The fee is based on a detailed study that calculated the difference in cost to produce a market rate rental unit versus a lower-income affordable unit. As of 2013, the in-lieu fee per market- rate dwelling unit was \$4,515. The fee amount may be modified by the City Council from time-to-time and is collected at the time of building permit issuance for the market rate units. The city will continue to utilize inclusionary in-lieu fees collected to assist in the development of affordable units.

The city will apply Inclusionary Housing Ordinance requirements to rental projects if the project developer agrees by contract to limit rent as consideration for a "direct financial contribution" or other form of assistance specified in density bonus law; or if the project is at a density that exceeds the applicable GMCP density, thus requiring the use of "excess dwelling units," as described in Section 10.3 (Resources Available).

The city will also continue to consider other in-lieu contributions allowed by the Inclusionary Housing Ordinance, such as an irrevocable offer to dedicate developable land.

Funding: Departmental budget

Lead Agency: Planning Division, Housing and Neighborhood Services Division

Objectives and Time Frame:

Based on SANDAG's Regional 2050 Growth Forecast and current housing estimates, the city anticipates 3,847 new housing units to be developed between 2010 and 2020, potentially generating 577 inclusionary units.

Adjust the inclusionary housing in-lieu fee as necessary and appropriate to reflect market conditions and ensure fees collected are adequate to facilitate the development of affordable units.

Program 3.2: Excess Dwelling Units

Pursuant to City Council Policy Statement 43, the city will continue to utilize "excess dwelling units," described in Section 10.3 (Resources Available), for the purpose of enabling density transfers, density increases/bonuses and General Plan amendments to increase allowed density.

Based on analysis conducted in Section 10.4 (Constraints and Mitigating Opportunities), the city can accommodate its 2010-2020 RHNA without the need to utilize excess dwelling units to accommodate the RHNA at each household income level.

Funding: Departmental budget

Lead Agency: Planning Division

Objectives and Time Frame:

- Consistent with City Council Policy 43, continue to utilize the excess dwelling units to provide affordable housing to lower income households.

Program 3.3: Density Bonus

Consistent with state law (Government Code sections 65913.4 and 65915), the city continues to offer residential density bonuses as a means of encouraging affordable housing development. In exchange for setting aside a portion of the development as units affordable to lower and moderate income households, the city will grant a density bonus over the otherwise allowed maximum density, and up to three financial incentives or regulatory concessions. These units must remain affordable for a period of no less than 30 years and each project must enter into an agreement with the city to be monitored by the Housing and Neighborhood Services Division for compliance.

The density bonus increases with the proportion of affordable units set aside and the depth of affordability (e.g. very low income versus low income, or moderate income). The maximum density bonus a developer can receive is 35 percent when a project provides 11 percent of the units for very low income households, 20 percent for low income households, or 40 percent for moderate income households.

Financial incentives and regulatory concessions may include but are not limited to: fee waivers, reduction or waiver of development standards, in-kind infrastructure improvements, an additional density bonus above the requirement, mixed use development, or other financial contributions.

The city is currently amending its density bonus regulations (Municipal Code Chapter 21.86) to ensure consistency with recent changes to state density bonus law.

Funding: Departmental budget, Housing Trust Fund

Lead Agency: Planning Division, Housing and Neighborhood Services Division

Objectives and Time Frame:

- Complete the pending amendment to Carlsbad Municipal Code Chapter 21.86 by June 30, 2014 to ensure consistency with recent changes to state density bonus law.
- Apply the city's Density Bonus Ordinance, consistent with state law.
- Encourage developers to take advantage of density bonus incentives.

Program 3.4: City-Initiated Development

The city, through the Housing and Neighborhood Services Division, will continue to work with private developers (both for-profit and non-profit) to create housing opportunities for low, very low and extremely low income households.

Funding: Housing Trust Fund, CDBG, and other federal, state and local funding

Lead Agency: Planning Division, Housing and Neighborhood Services Division

Objectives and Time Frame:

- Work with a private, non-profit affordable housing developers to create at least 70 city-initiated or non-inclusionary affordable housing units for lower income households between 2013 and 2020.

Program 3.5: Affordable Housing Incentives

The city will consider using Housing Trust Funds on a case-by-case basis to offer a number of incentives to facilitate affordable housing development. Incentives may include:

- Payment of public facility fees;
- In-kind infrastructure improvements, including but not limited to street improvements, sewer improvements, other infrastructure improvements as needed;
- Priority processing, including accelerated plan-check process, for projects that do not require extensive engineering or environmental review; and
- Discretionary consideration of density increases above the maximum permitted by the General Plan through review and approval of a site development plan (SDP).

Funding: Departmental budget, Housing Trust Fund, CDBG

Lead Agency: Planning Division, Housing and Neighborhood Services Division, Finance Division

Objectives and Time Frame:

- Assist in the development of 150 affordable units between 2013 and 2020 (inclusive of units to be assisted under Program 3.4 - City-Initiated Development, and Program 3.10 - Senior Housing).

Program 3.6: Land Banking

The city will continue to implement a land banking program to acquire land suitable for development of housing affordable to lower and moderate income households. The land bank may accept contributions of land in-lieu of housing production required under an inclusionary requirement, surplus land from the city or other public entities, and land otherwise acquired by the city for its housing programs. This land would be used to reduce the land costs of producing lower and moderate income housing by the city or other parties.

The city has identified a list of nonprofit developers active in the region. When a city-owned or acquired property is available, the city will solicit the participation of these nonprofits to develop affordable housing. Affordable housing funds will be made available to facilitate development and the city will assist in the entitlement process.

Funding: CDBG, Housing Trust Fund

Lead Agency: Housing and Neighborhood Services Division

Objectives and Time Frame:

- Solicit nonprofit developers when city-owned or acquired property becomes available for affordable housing.
- Provide land for development of affordable housing.
- Consider private-public partnerships for development of affordable housing.

Program 3.7: Housing Trust Fund

The city will continue to maintain the Housing Trust Fund for the fiduciary administration of monies dedicated to the development, preservation and rehabilitation of affordable housing in Carlsbad. The Housing Trust Fund will be the repository of all collected in-lieu fees, impact fees, housing credits, loan repayments, and related revenues targeted for proposed housing as well as other local, state and federal funds.

The city will explore additional revenue opportunities to contribute to the Housing Trust Fund, particularly, the feasibility of a housing impact fee to generate affordable rental units when affordable units are not included in a rental development.

Funding: In-Lieu fees, impact fees, housing credit revenues, HOME/CDBG Housing Reserve, local, state and federal funds

Lead Agency: Housing and Neighborhood Services Division, Finance Division

Objectives and Time Frame:

- Explore the feasibility of a rental housing impact fee within one year of adoption of this Housing Element.
- Actively pursue housing activities to encumber and disburse monies within the Housing Trust Fund that are specifically designated for the development of affordable housing for low income households.

Program 3.8: Section 8 Housing Choice Vouchers

The Carlsbad Housing Authority will continue to administer the city's Section 8 Housing Choice Voucher program to provide rental assistance to very low income households.

Funding: Federal Section 8 funding

Lead Agency: Housing and Neighborhood Services Division

Objectives and Time Frame:

- Continue to provide rental assistance to approximately 600 extremely low and very low income households.

Program 3.9: Mortgage Credit Certificates

The city participates in the San Diego Regional Mortgage Credit Certificate (MCC) Program. By obtaining a MCC during escrow, a qualified homebuyer can qualify for an increased loan amount. The MCC entitles the homebuyer to take a federal income tax credit of 20 percent of the annual interest paid on the mortgage. This credit reduces the federal income taxes of the buyer, resulting in an increase in the buyer's net earnings.

Funding: San Diego County MCC allocations

Lead Agency: Housing and Neighborhood Services Division

Objectives and Time Frame:

- Continue to promote the MCC program with the objective of assisting at least two households annually.

Program 3.10: Senior Housing

The city will continue to encourage a wide variety of senior housing opportunities, especially for lower-income seniors with special needs, through the provision of financial assistance and regulatory incentives as specified in the city's Housing for Senior Citizens Ordinance (Municipal Code Chapter 21.84). Projects assisted with these incentives will be subjected to the monitoring and reporting requirements to assure compliance with approved project conditions.

In addition, the city has sought and been granted California Constitution Article 34 authority by its voters to produce up to 200 senior-only, low-income restricted housing units. The city would need to access its Article 34 authority only when it provides financial assistance and regulates more than 51 percent of the development.

Funding: Departmental budget, Housing Trust Fund, Private financing, state public financing

Lead Agency: Housing and Neighborhood Services Division, Planning Division

Objectives and Time Frame:

- Periodically review the senior housing provisions in Municipal Code Chapter 21.84 to expand housing opportunities for seniors.
- Work with senior housing developers and non-profit organizations to locate and construct at least 50 units of senior low-income housing between 2013 and 2020.

Program 3.11: Housing for Persons with Disabilities

The city has an adopted ordinance to provide individuals with disabilities “reasonable accommodation” in land use, zoning and building regulations. This ordinance seeks to provide equal opportunity in the development and use of housing for people with disabilities through flexibility in regulations and the waiver of certain requirements in order to eliminate barriers to fulfilling this objective.

The city will continue to evaluate the success of this measure and adjust the ordinance as needed to ensure that it is effective. Moreover, the city will seek to increase the availability of housing and supportive services to the most vulnerable population groups, including people with disabilities through state and federal funding sources, such as HUD’s Section 811 program and CDBG funding.

Funding: Departmental budget

Lead Agency: Planning Division

Objectives and Time Frame:

- Evaluate the use and effectiveness of the reasonable accommodation ordinance through the annual Housing Element Progress Reports.
- Continue to provide opportunities for the development of affordable housing for seniors and persons with disabilities.

Program 3.12: Housing for Large Families

In those developments that are required to include 10 or more units affordable to lower-income households, at least 10 percent of the lower income units should have three or more bedrooms. This requirement does not pertain to lower-income senior housing projects.

Funding: Departmental budget

Lead Agency: Planning Division; Housing and Neighborhood Services Division

Objectives and Time Frame:

- Continue to implement this requirement as part of the Inclusionary Housing Ordinance.
- Achieve the construction of 35 dwellings that can accommodate lower income large families. Pursuant to Section 10.2, there are 10,625 lower income households in Carlsbad, 620 (6 percent) of which are large families. Six percent of the city’s objective for construction of new lower income dwellings (577 dwellings per section 10.6) is 35 dwellings.

Program 3.13: Housing for the Homeless

Carlsbad will continue to facilitate and assist with the acquisition, for lease or sale, and development of suitable sites for emergency shelters and transitional housing for the homeless population. This facilitation and assistance will include:

- Participating in a regional or sub-regional summit(s) including decision-makers from north San Diego County jurisdictions and SANDAG for the purposes of coordinating efforts and resources to address homelessness;
- Assisting local non-profits and charitable organizations in securing state and federal funding for the acquisition, construction and management of shelters; and
- Continuing to provide funding for local and sub-regional homeless service providers that operate temporary and emergency shelters.

Funding: Housing Trust Fund, CDBG

Lead Agency: Housing and Neighborhood Services Division

Objectives and Time Frame:

- Provide funding for homeless shelter providers through the annual Action Plan process for the use of CDBG funds.
- Annually participate financially in regional programs, such as the North County Regional Winter Shelter Program, which utilize shelters such as the La Posada de Guadalupe men's homeless/farmworker shelter in Carlsbad.

Program 3.14: Transitional and Supportive Housing

Currently, the city's Zoning Ordinance provides for transitional housing and supportive housing; however, the ordinance distinguishes and regulates such housing based on the number occupants (i.e., transitional and supportive housing for six or fewer persons are allowed by right in all residential zones, but transitional and supportive housing for more than six persons is allowed with a conditional use permit only in multi-family residential zones). The city will amend the Zoning Ordinance to allow transitional housing and supportive housing in all zones allowing residential uses, and subject only to the same limitations that apply to other residential dwellings of the same type in the same zone.

Funding: None Required

Lead Agency: Planning Department

Objectives and Time Frame:

- By June 30, 2014, amend the Zoning Ordinance to allow transitional housing and supportive housing in all zones allowing residential uses, and subject only to the same limitations that apply to other residential dwellings of the same type in the same zone.

Program 3.15: Supportive Services for Homeless and Special Needs Groups

The city will continue to provide CDBG funds to community, social welfare, non-profit and other charitable groups that provide services for those with special needs in the north San Diego County area.

Furthermore, the city will work with agencies and organizations that receive CDBG funds to offer a city referral service for homeless shelter and other supportive services.

Funding: CDBG

Lead Agency: Housing and Neighborhood Services Division

Objectives and Time Frame:

- Provide funding for supportive service providers through the annual Action Plan process for the use of CDBG funds.
- Continue to operate the city's 211 referral service.

Program 3.16: Alternative Housing

The city will continue to implement its Second Dwelling Unit Ordinance (Section 21.10.015 of the Carlsbad Municipal Code) and will continue to support alternative types of housing, such as hotels and managed living units to accommodate extremely-low income households.

Funding: Federal, state, and local loans and grants, private funds

Lead Agency: Planning Division, Housing and Neighborhood Services Division

Objectives and Time Frame:

- Continue to monitor underutilized properties and sites in the community that have potential for alternative housing options and offer the information to interested developers.

Program 3.17: Military and Student Referrals

The city will assure that information on the availability of assisted or below-market housing is provided to all lower-income and special needs groups. The Housing and Neighborhood Services Division will provide information to local

military and student housing offices of the availability of low-income housing in Carlsbad.

Funding: Departmental budget

Lead Agency: Housing and Neighborhood Services Division

Objectives and Time Frame:

- Periodically update the city's inventory of assisted or below-market housing and make the information available on print and on the city's website.

Program 3.18: Coastal Housing Monitoring

As a function of the building permit process, the city will monitor and record Coastal Zone housing data including, but not limited to, the following:

- The number of housing units approved for construction, conversion or demolition within the coastal zone after January 1, 1982.
- The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments within the coastal zone.
- The number of existing residential dwelling units occupied by persons and families of low or moderate income that are authorized to be demolished or converted in the coastal zone pursuant to Section 65590 of the Government Code.
- The number of residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code that are required for replacement or authorized to be converted or demolished as identified above. The location of the replacement units, either onsite, elsewhere within the city's coastal zone, or within three miles of the coastal zone in the city, shall be designated in the review.

Funding: Departmental budget

Lead Agency: Planning Division

Objectives and Time Frame:

- Continue to maintain records and prepare a summary report annually.

Program 3.19: Housing Element Annual Progress Report and Mid-Planning Period Housing Element Update

First, to retain the Housing Element as a viable policy document, the Planning Division will review the Housing Element annually and schedule an amendment

if necessary. As required by state law, city staff will prepare and submit annual progress reports to the City Council, SANDAG, and California Department of Housing and Community Development (HCD).

Second, Senate Bill 575 requires that a jurisdiction revise its housing element every four years, unless it meets both of the following criteria: (1) the jurisdiction adopted the fourth revision of the element no later than March 31, 2010; and (2) the jurisdiction completed any rezoning contained in the element by June 30, 2010. While implementation of the city's 2005-2010 Housing Element satisfied the first criterion, it did not meet the second. Although rezoning was completed before the end of the extended Housing Element period (April 30, 2013) to satisfy the adequate sites program, it was not completed in time to meet the SB 575 requirement.

The city will build on the annual review process to develop a mid-planning period (four-year) Housing Element update that includes the following:

- Review program implementation and revision of programs and policies, as needed;
- Analysis of progress in meeting the RHNA and updates to the sites inventory as needed;
- Outcomes from a study session that will be held with the Planning Commission to discuss mid-period accomplishments and take public comment on the progress of implementation. The city will invite service providers and housing developers to participate.

Funding: Departmental Budget

Lead Agency: Planning Division, Housing and Neighborhood Services Division

Objectives and Time Frame:

- Prepare an annual progress report (APR) that reports on implementation of the Housing Element.
- Submit the APR to the City Council, HCD, and SANDAG.
- Prepare and complete a mid-planning period update, including public outreach, by April 30, 2017.

Fair Housing

Equal access to housing is a fundamental right protected by both state and federal laws. The city is committed to fostering a housing environment in which housing opportunities are available and open to all.

10-G.4 All Carlsbad housing opportunities (ownership and rental, market and assisted) offered in conformance with open housing policies and free of discriminatory practices.

- 10-P.25** Support enforcement of fair housing laws prohibiting arbitrary discrimination in the development, financing, rental, or sale of housing.
- 10-P.26** Educate residents and landlords on fair housing laws and practices through the distribution of written materials and public presentations.
- 10-P.27** Contract with a fair housing service provider to monitor and respond to complaints of discrimination in housing.
- 10-P.28** Encourage local lending institutions to comply with the Community Reinvestment Act to meet the community's credit needs and develop partnerships where appropriate. Reevaluate the city's relationship with lending institutions that are substantially deficient in their CRA ratings.
- 10-P.29** Periodically review city policies, ordinances, and development standards, and modify, as necessary, to accommodate housing for persons with disabilities.

Program 4.1: Fair Housing Services

With assistance from outside fair housing agencies, the city will continue to offer fair housing services to its residents and property owners. Services include:

- Distributing educational materials to property owners, apartment managers, and tenants;
- Making public announcements via different media (e.g. newspaper ads and public service announcements at local radio and television channels);
- Conducting public presentations with different community groups;
- Monitoring and responding to complaints of discrimination (i.e. intake, investigation of complaints, and resolution); and
- Referring services to appropriate agencies.

Funding: CDBG, Section 8 Rental Assistance, Housing Trust Fund

Lead Agency: Housing and Neighborhood Services Division

Objectives and Time Frame:

- Allocate annual funding for fair housing services through the Action Plan process for the use of CDBG funds.
- Participate in regional efforts to mitigate impediments to fair housing choice.

Quantified Objectives by Income

The following Table 10-42 summarizes the city's quantified objectives for the 2010-2020 RHNA period, by income group.

TABLE 10-42: QUANTIFIED OBJECTIVES 2010-2020

	EXTREMELY LOW	VERY LOW	LOW	MODERATE	ABOVE MODERATE	TOTAL
RHNA ¹	389	523	693	1,062	2,332	4,999
Units to be Constructed ^{2,3}	18	93	466	200	3,054	3,847
Units to be Rehabilitated	0		31	23	0	54
Units to be Conserved	0	64	0	0	0	64
Households to be Assisted ⁴	240	360	0	10	0	600
TOTAL	258	517	497	233	3,054	4,565

- 1 As described in Section 10.2, the city estimates that of the 912 very low income households identified for Carlsbad in the RHNA, at least 389 units (43%) should be available for extremely low income and up to 523 units (57%) for very low income households.
- 2 Affordable units to be constructed are estimated based on SANDAG's 2050 Regional Growth Forecast, analysis of recently-approved and anticipated near-term development, and land use designation changes that are part of the General Plan update. Units to be constructed include 150 city-initiated affordable housing (Program 3.5, Affordable Housing Incentives) and 427 anticipated inclusionary housing units (Program 3.1, Inclusionary Housing). Income distribution of these anticipated lower income units is based on the same proportions realized by projects constructed over a previous 8-year period (2003-2010). A general assumption of 200 moderate income units is used.
- 3 Based on past experience, the city estimates 80 second units may be developed during the planning period at rates affordable for moderate income households. Pursuant to City regulations, they are a permitted by right, accessory use to one-family dwellings. Between 2005 and 2012, a total of 57 second dwelling units were built in the city.
- 4 40 percent of the Section 8 voucher holders are assumed to be extremely low income households.